

**QUARTERLY FEDERAL COURT
LITIGATION STATUS REPORT**

Office of the General Counsel
Bureau of Competition
Bureau of Consumer Protection
Regional Offices

December 31, 2003

No. 78

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SUMMARY OF CASES

	D. Ct.	Ct. App. ¹	S. Ct.	Total
PETITIONS FOR REVIEW		1		1
INJUNCTION AND CONSUMER REDRESS CASES	95	7		102
CIVIL PENALTY AND ENFORCEMENT CASES	9	1		10
SUBPOENA AND CID ENFORCEMENTS	1	1		2
SUITS TO ENJOIN FTC ACTION AND OTHER DEFENSIVE LITIGATION	6	3		9
AMICUS CURIAE BRIEFS	3	2	2	7
TOTALS	114	15	2	131

¹ Includes all cases in which appellate proceedings have taken place during the reporting period or are pending; these cases are not counted in the District Court column, even if such proceedings are going on simultaneously.

PETITIONS FOR REVIEW

A) Orders to Cease and Desist

POLYGRAM HOLDING, INC., v. FTC, No. 03-1293 (D.C. Cir.)

Parties: PolyGram Holding, Inc.
Decca Music Group Limited
UMG Recordings, Inc.
Universal Music & Video Distribution Corp.

Assigned Attorneys: John F. Daly (OGC)
Michele Arington

Nature of Action: Petition for review of Commission Order to cease and desist participation in an agreement with competitors to fix prices or restrict advertising of audio or video products.

Status: Petition filed 9/22/03.
PolyGram's proof brief due 2/2/04; Commission's proof brief due 3/8/04;
PolyGram's proof reply brief due 3/25/04; final briefs due 4/8/04.

B) Rulemakings (None pending)

INJUNCTION AND CONSUMER REDRESS CASES

(A) Preliminary Injunctions (Mergers/Acquisitions) (None pending)

(B) Preliminary Injunctions (Other) (None pending)

(C) **Permanent Injunctions/Consumer Redress**²

FTC v. 1ST BENEFICIAL CREDIT SERVICES LLC, No. 02-CV-1591 (N.D. Ohio)

Parties: 1st Beneficial Credit Services LLC, d/b/a First Beneficial Credit Services,
First Beneficial Credit Services, Inc., and American Capitol
Platinum Express Benefits LLC
Viktor Golub, a/k/a Victor Golub
Armand Petrov
American Capitol Benefits LLC
Glen Stevens, a/k/a Glenn Stevens and Glen Rabin

Assigned Attorneys: Michael Milgrom (ECR)
Jon Miller Steiger

Alleged Conduct: Deceptive practices in violation of Section 5 and the Telemarketing Sales
Rule in connection with the telemarketing of advance fee credit cards.

Status: Complaint filed 8/14/02.
TRO with asset freeze entered 8/14/02.
Stipulated preliminary injunction entered 9/9/02.
Amended complaint naming additional defendants: American Capitol
Benefits LLC and Armand Petrov filed 9/23/02.
Motion for TRO against defendants American Capitol Benefits LLC and
Armand Petrov filed 9/26/02.
Stipulated preliminary injunction entered 10/28/02.
Second amended complaint adding defendant Glen Stevens filed 3/25/03.
Stipulated final order and permanent injunction, providing \$190,000 in
consumer redress, entered 9/19/03.

² Unless otherwise noted, cases involve suits for permanent injunction and other equitable relief. Post-judgment proceedings in district court are not generally reported.

FTC v. 1025798 ONTARIO, INC., No. 03-CV-0910 (W.D.N.Y.)

Parties: 1025798 Ontario, Inc., d/b/a The Fulfillment Solutions Advantage, Inc.,
The FSA Group, International Access, Beauty Visions Worldwide,
Slimshop, Hydro-Gel Slim Patch, and Slenderstrip
Robert Van Velzen
Nancy Sprague

Assigned Attorneys: Dean C. Forbes (BCP/AP)
David Koehler

Alleged Conduct: Deceptive practices in violation of Section 5 in connection with the sale of
purported weight-loss products.

Status: Complaint for permanent injunction and other equitable relief filed
12/3/03.
Ex parte TRO with asset freeze entered 12/3/03; extension until the
preliminary injunction hearing entered 12/12/03.
Preliminary injunction hearing scheduled for 3/16/04.

FTC v. 1492828 ONTARIO INC., No. 02C 7456 (N.D. Ill.)

Parties: 1492828 Ontario Inc., d/b/a First Capital Consumers Group, US Guardian United Consumers, Trans America United Benefits Group, Transglobal National Consumers Group, and First Guardian National Benefits
1533649 Ontario Inc., d/b/a Inter Office Marketing Services, Capital Communications, US Guardian United Consumers, Trans America United Benefits Group, Transglobal National Consumers Group, and First Guardian National Benefits
David Dalglish
Leslie Anderson
Lloyd Prudenza
Mark Lennox
Paul Schroeder, d/b/a Paul Schroeder & Associates, PS&A, and Your Benefitz

Assigned Attorneys: Karen D. Dodge (MWR)
John C. Hallerud

Alleged Conduct: Deceptive practices in violation of Section 5 and the Telemarketing Sales Rule in connection with the telemarketing of false pre-approved credit cards.

Status: Complaint filed 10/17/02.
TRO with asset freeze entered 10/17/02.
Order for preliminary injunction entered 10/28/02.
Amended complaint for permanent injunction and other equitable relief adding defendants 1533649 Ontario Inc., d/b/a Inter Office Marketing Services, Capital Communications, US Guardian United Consumers, Trans America United Benefits Group, Transglobal National Consumers Group, and First Guardian National Benefits; and Paul Schroeder, d/b/a Paul Schroeder & Associates, PS&A, and Your Benefitz filed 12/30/02.
Default against 1492828 Ontario Inc., 1533649 Ontario Inc., David Dalglish, Lloyd Prudenza, and Mark Lennox entered 3/4/03.
Stipulated order for preliminary injunction with asset freeze and other relief against Paul Schroeder entered 3/14/03.
Order for preliminary injunction with asset freeze and other relief against 1533649 Ontario, Inc. entered 3/27/03.
Order for permanent injunction and final judgment against defendants 1492828 Ontario Inc., 1533649 Ontario Inc., David Dalglish, Lloyd Prudenza, and Mark Lennox entered 12/2/03.

FTC v. 30 MINUTE MORTGAGE INC., No. 03-60021-CIV-LENARD (S.D. Fla.)

Parties: 30 Minute Mortgage Inc.
Gregory P. Roth
Peter W. Stolz

Assigned Attorneys: Amanda Quester (BCP/FP)
T. Kevin Marr

Alleged Conduct: Deceptive practices in violation of Section 5, the Truth in Lending Act and Regulation Z, and Title V of the Gramm-Leach-Bliley Act and the Privacy of Consumer Financial Information Rule in connection with the use of unsolicited commercial e-mails to advertise mortgage loans.

Status: Complaint for injunctive and other equitable relief filed 1/9/03.
Stipulated order for preliminary injunction entered 3/14/03.
Stipulated final judgment and order for permanent injunction and other equitable relief as to defendant Gregory P. Roth entered 9/17/03.
Stipulated final judgment and order for permanent injunction and other equitable relief as to defendant Peter W. Stolz entered 11/26/03.
Final default judgment and order for permanent injunction and other equitable relief as to defendant 30 Minute Mortgage, Inc. entered 11/26/03.

FTC v. 627867 B.C. LTD., No. C03-3166 (W.D. Wash.)

Parties: 627867 B. C. Ltd., d/b/a Newport Group
 633142 B. C. Ltd., d/b/a Newport Group
 638541 B. C. Ltd., d/b/a Newport Group
 654679 B. C. Ltd., d/b/a Newport Group
 651482 B. C. Ltd., d/b/a West Star
 Steven Albert Ironside
 Bruce George Alexander Ironside

Assigned Attorney: Mary T. Benfield (NWR)

Alleged Conduct: Deceptive practices in violation of Section 5 and the Telemarketing Sales Rule in connection with the telemarketing of Australian lottery participation or winnings.

Status: Complaint for injunctive and other equitable relief filed 10/21/03.
 Ex parte TRO entered 10/22/03.
 Preliminary injunction entered 10/31/03.
 Default entered 12/22/03.

FTC v. 9094-5114 QUEBEC, INC., No. 03C 7486 (N.D. Ill.)

Parties: 9094-5114 Quebec, Inc., d/b/a Kinito, Inc., Kinito Benefits Services, KBS,
and First Approval Benefits
Nikolaos Rothos
Steve Vrontakis
Ana Vrontakis
Roberto Mendez

Assigned Attorney: John C. Hallerud (MWR)

Alleged Conduct: Deceptive practices in violation of Section 5 and the Telemarketing Sales
Rule in connection with the sale of advance fee credit cards.

Status: Complaint for permanent injunction and other equitable relief filed
10/23/03.
TRO with asset freeze entered 10/23/03.

FTC v. ABRAHAM, No. 5:03-CV-0030 VAP SGLx (C.D. Cal.)

Parties: Yad Abraham, a/k/a Tim Thorn and Timothy Thorn, d/b/a Sharpthorn
Internet Solutions
Internex, LLC

Assigned Attorneys: Lemuel W. Dowdy (WR-LA)
Raymond E. McKown
Victor F. DeFrancis (BCP/ENF)

Alleged Conduct: Deceptive practices in violation of Section 5 in connection with the
marketing of phony international drivers' licenses via unsolicited
commercial emails ("spam") and the internet.

Status: Complaint for injunctive and other relief filed 1/8/03.
TRO with asset freeze and an order to show cause why a preliminary
injunction should not issue as to defendant Internex LLC entered
1/8/03.
TRO with asset freeze and an order to show cause why a preliminary
injunction should not issue as to defendant Yad Abraham entered
1/8/03.
Preliminary injunction as to Yad Abraham entered 1/23/03.
Preliminary injunction as to Internex, LLC entered 2/3/03.
Commission's request for entry of default as to Internex, LLC filed
2/14/03.
Default as to Internex, LLC entered 2/18/03.
Commission's application for default judgment against Internex, LLC
filed 4/14/03; granted 4/29/03.
First amended complaint for injunctive and other equitable relief
adding defendants Timothy Thorn and Shaun Melville filed
5/15/03.
Stipulated final order for permanent injunction and settlement of all claims
as to defendant Yad Abraham entered 8/15/03.

FTC v. ALYON TECHNOLOGIES, INC., No. 1:03-CV-1297 (N.D. Ga.)

Parties: Alyon Technologies, Inc.
TelCollect Inc.
Stephane Touboul

Assigned Attorneys: Peter Lamberton (BCP/MP)
Sarah Anne Cutler

Alleged Conduct: Unfair and deceptive practices in violation of Section 5 and the Pay-Per-Call-Rule in connection with the operation of a billing system to service vendors.

Status: Complaint filed 5/13/03.
Commission's motion for a preliminary injunction filed 5/13/03;
Defendants' response filed 6/3/03; Commission's reply filed 6/6/03.
Preliminary injunction hearing held 6/18/03.
Order denying as moot the Commission's motion for a preliminary injunction entered 7/10/03.
Defendant TelCollect, Inc.'s motion to dismiss filed 7/18/03;
Commission's response filed 7/31/03; reply filed 8/13/03; order denying motion entered 10/17/03.
Commission's motion for reconsideration of the Court's denial of the motion for a preliminary injunction filed 7/25/03; defendants' opposition filed 8/11/03; reply filed 8/28/03; order granting motion in part and denying in part entered 10/17/03.
Motion by non-party TLC Billing Data Services to quash the Commission's subpoena filed 12/26/03.

FTC v. AMBUS REGISTRY, INC., No. CV03-1294RBL (W.D. Wash.)

Parties: Ambus Registry, Inc.
Sukhraj Singh Chana
Garther Cheung

Assigned Attorneys: Kathryn C. Decker (NWR)
Eleanor Durham

Alleged Conduct: Deceptive practices in violation of Section 5 in connection with the sale of a CD-Rom business directory and listings in the directory.

Status: Complaint for injunction and other equitable relief filed 6/16/03.
TRO entered 6/16/03.
Stipulated preliminary injunction entered 7/14/03.

FTC v. AMERIDEBT, INC., No. PJM 03-3317 (D. Md.)

Parties: AmeriDebt, Inc.
DebtWorks, Inc.
Andris Pukke
Pamela Pukke, a/k/a Pamela Shuster, relief defendant

Assigned Attorneys: Jeanne-Marie S. Burke (BCP/FP)
Maiysha R. Branch

Alleged Conduct: Deceptive practices in violation of Section 5 and the Gramm-Leach-Bliley Act in connection with the offering of credit counseling services.

Status: Complaint for injunctive and other equitable relief filed 11/19/03.

FTC v. AMERITEL PAYPHONE DISTRIBUTORS, INC., No. 00-0514-CIV-
GOLD/SIMONTON (S.D. Fla.)

Parties: Ameritel Payphone Distributors, Inc.
Roy B. Goodman
Public Telephone Corporation
Nathan Matalon
Kimberly Matalon
Lenora Kaus

Assigned Attorney: Douglas Wolfe (BCP/MP)

Alleged Conduct: Violations of Section 5 and the Franchise Rule in connection with the marketing and sale of payphone business adventures.

Status: Complaint filed 2/7/00.
Stipulated preliminary injunction entered 2/9/00.
Stipulated final judgment entered 2/1/01.
Commission's motion to hold defendants in contempt for violations of the permanent injunction and ex parte motion for a TRO filed 8/27/03.
Evidentiary hearing held 9/10/03.
Order holding respondents in civil contempt entered 10/15/03.

FTC v. ARTMART PUBLICATIONS, INC., No. CV-03-7262 NM (MANx) (C.D. Cal.)

Parties: Artmart Publications, Inc.
Arthur Nidetz

Assigned Attorney: Barbara Y. K. Chun (WR-LA)

Alleged Conduct: Deceptive practices in violation of Section 5 in connection with the sale of advertising space in various publications.

Status: Complaint for injunction and other equitable relief filed 10/9/03.
Stipulated final judgment and order for permanent injunction and other equitable relief entered 10/16/03.

FTC v. ASSAIL, INC., Nos. 03-50795, 03-51281, 03-51461, 03-51462 (5th Cir.);
No. W03-CA-007 (W.D. Tex.)

Parties: Assail, Inc.
 Kyle Kimoto
 Cliff Dunn
 Mike Hendricksen
 Infinium, Inc.
 Market-Rep.com, Inc., d/b/a/ Market-Reps.com, Inc.
 Brian Schofield
 Specialty Outsourcing Solutions, Ltd.
 Jay Lankford
 Lee Murphy
 Summit Communications International, Inc., d/b/a Advantage Capital
 Benefits
 Matthew Ho
 Capital First Benefits, Inc.
 Ben Lee
 Premier One Benefits, Inc.
 Johnson Salanga

Assigned Attorneys: Robert S. Kaye (BCP/MP)
 Lawrence Hodapp
 Jonathan Kraden
 John A. Singer (OGC)

Alleged Conduct: Deceptive practices in violation of Section 5, the Telemarketing Sales
 Rule and the Gramm-Leach-Bliley Act in connection with an advance fee
 credit card scam.

Status: Complaint for injunctive and other equitable relief filed 1/9/03.
 Ex parte TRO with asset freeze entered 1/9/03.
 Stipulated preliminary injunction order as to defendants Brian Schofield,
 Infinium, Inc., and Market-Rep.com, Inc. entered 2/4/03.
 Stipulated preliminary injunction order as to defendants Specialty
 Outsourcing Solutions, Ltd., Jay Lankford, and Lee Murphy
 entered 2/4/03.
 Preliminary injunction order as to defendants Assail, Inc., Kyle Kimoto,
 Cliff Dunn, Mike Hendricksen, Summit Communications
 International, Inc., Matthew Ho, Capital First Benefits, Inc., Ben
 Lee, Premier One Benefits, Inc., and Johnson Salanga entered
 2/4/03.
 Motion by Assail, Inc. and Kyle Kimoto to dissolve preliminary injunction
 filed 3/18/03; Commission's response in opposition filed 3/28/03;
 order denying motion entered 4/4/03.
 Motion to dissolve preliminary injunction as to Par 3, Inc. filed 4/17/03;

Commission's opposition filed 5/7/03; order denying motion entered 6/12/03.

Notice of appeal by Par 3, Inc., requesting modification of preliminary injunction to exclude it from asset freeze filed 7/9/03; docketed as No. 03-50795 (5th Cir.) 7/18/03; briefing completed 12/1/03.

Stipulated permanent injunction and monetary judgment as to defendants Kyle Kimoto and Assail, Inc. entered 9/22/03.

Stipulated permanent injunction and monetary judgment as to defendants Brian Schofield, Infinium, Inc. and Market-Rep.Com, Inc., including payment of \$200,000 for consumer redress, entered 9/22/03.

Stipulated permanent injunction and monetary judgment as to defendants Specialty Outsourcing Solutions, Ltd., Jay Lankford, and H. Lee Murphy, including payment of \$512,000 for consumer redress entered 9/22/03.

Notice of Appeal by Valdine Management Co. and Steven Henriksen as to civil contempt motion filed 10/24/03; docketed as No. 03-51281 11/13/03; order granting motion to withdraw appeal entered 12/31/03.

Notice of appeal by Dean Kajioka as to order denying attorney fee petition and requiring payment of \$40,000 to receiver filed 12/15/03; docketed as No. 03-51461 12/31/03.

Notice of appeal by Robert Draskovich as to order denying attorney fee petition and requiring payment of \$210,000 to receiver filed 12/15/03; docketed as No. 03-51462 12/31/03.

Trial set for 6/15/04.

FTC v. BAITH, No. CV-S-03-1306 LRH-RJJ (D. Nev.)

Parties: Christopher Baith
Cosme Monarrez, Jr.
Sorabh Verma

Assigned Attorneys: David C. Fix (BCP/MP)
Renard C. Francois

Alleged Conduct: Deceptive practices in violation of Section 5 in connection with the use of "spam" to lure consumers into visiting a pornographic website.

Status: Complaint for permanent injunction and other equitable relief filed 10/17/03.
Stipulated final judgment and orders for permanent injunction as to each defendant entered 11/25/03.

FTC v. BALLENGER GROUP, LLC, No. PJM 03-3318 (D. Md.)

Parties: Ballenger Group, LLC
Ballenger Holdings, LLC

Assigned Attorneys: Jeanne-Marie S. Burke (BCP/FP)
Maiysha R. Branch

Alleged Conduct: Deceptive practices in violation of Section 5 in connection with the offering of credit counseling services.

Status: Complaint for injunctive and other equitable relief filed 11/19/03.
Stipulated final judgment and order for permanent injunction and monetary settlement, including \$750,000 in consumer redress, entered 12/3/03.

FTC v. BAY AREA BUSINESS COUNCIL, INC., No. 02C-5762 (N.D. Ill.)

Parties: Bay Area Business Council, Inc.
Bay Area Business Council Customer Service Corp.
American Leisure Card Corp.
Bay Memberships, Inc.
Sr. Marketing Consultants, Inc.
Special Technologies, Inc.
Bay Vacations, Inc
Peter J. Porcelli, II
Christopher Tomasulo
Bonnie A. Harris

Assigned Attorneys: David A. O'Toole (MWR)
Guy G. Ward

Alleged Conduct: Deceptive practices in violation of Section 5 and the Telemarketing Sales Rule in connection with the telemarketing of advance fee credit cards.

Status: Complaint filed 8/13/02.
TRO entered 8/14/02.
Orders extending TRO entered 8/21/02; 8/26/02; 9/11/02.
Stipulated preliminary injunction entered 10/2/02.
Amended complaint adding defendants Bay Memberships, Inc., Sr. Marketing Consultants, Inc., Special Technologies, Inc., and Bay Vacations, Inc. filed 10/22/02.
Commission's motion to add Bay Vacations, Bay Membership, Sr. Marketing Consultants and Special Technologies to the receivership filed 10/26/02; defendants' response filed 2/27/03; Commission's reply filed 3/13/03.
Defendants Bay Membership, Sr. Marketing Consultants and Special Technologies' ch. 11 bankruptcy petitions, in Middle District of Florida, filed 11/1/02; Commission's motions to dismiss bankruptcy petitions filed 1/31/03.
Defendant Bay Vacations' motion to dismiss filed 11/27/02; Commission's response filed 1/10/03; defendants' reply filed 2/27/03; denied 3/13/03.
Defendants Bay Area Business Council, Bay Area Business Council Customer Service, American Leisure Card, Porcelli and Harris' answer and counterclaim filed 11/27/02.
Defendants Bay Memberships, Inc., Sr. Marketing Consultants and Special Technologies' answers to amended complaint filed 1/16/03.
Commission's motion to dismiss counterclaim and strike affirmative defenses filed 1/27/03; defendants' response filed 2/27/03; Commission's reply filed 3/13/03.

Order granting Commission's motion to dismiss counterclaim and strike affirmative defenses entered 4/30/03.
Commission's motion for summary judgment filed 12/12/03.

FTC v. BRASWELL, No. CV-03-3700 DT (PJWx) (C.D. Cal.)

Parties: A. Glenn Braswell
JOL Management, Co.
G.B. Data Systems, Inc.
Gero Vita International, Inc.
Therapeutics, Inc.
Ron Tepper

Assigned Attorneys: Rosemary Rosso (BCP/AP)
Mamie Kresses
Kenneth H. Abbe (WR-LA)

Alleged Conduct: Deceptive practices in violation of Sections 5 and 12 of the FTC Act in connection with the sale of dietary supplements and other health-related products.

Status: Complaint for permanent injunction and other equitable relief filed 5/27/03.
Defendant Ron Tepper's motion to dismiss complaint for lack of jurisdiction filed 7/14/03; Commission's opposition filed 8/29/03; reply filed 9/8/03; defendant Braswell's motion to join Tepper's motion filed 9/11/03.
Defendant A. Glenn Braswell's motion to stay proceedings pending resolution of criminal charges filed 7/14/03; defendant Tepper's motion to join Braswell's motion filed 8/4/03; Commission's opposition filed 8/29/03; reply filed 9/8/03.
Order denying motion to stay proceedings entered 9/15/03.
Order denying motion to dismiss complaint entered 9/15/03.

FTC v. CAPITAL CHOICE CONSUMER CREDIT, INC., No. 02-21050-CIV-Ungaro-Benages
(S.D. Fla.)

Parties: Capital Choice Consumer Credit, Inc., d/b/a National Credit Shopper and
NCS
Millennium Communications and Fulfillment, Inc., d/b/a National
Research Group
E-Credit Solutions, Inc.
Zentel Enterprises, Inc.
Ecommex Corporation
Hartford Auto Club, Inc.
Ricardo E. Martinez
Scott A. Burley
Johnnie Smith
Wilfredo Lugo

Assigned Attorneys: Brinley H. Williams (ECR)
Michael Milgrom
Brenda W. Doubrava
Michael B. Rose

Alleged Conduct: Deceptive practices in violation of Section 5 and the Telemarketing Sales
Rule in connection with the marketing and sale of advance-fee credit
cards.

Status: Complaint for injunctive and other equitable relief filed 4/8/02.
TRO entered 4/9/02; served 4/22/02.
Amended complaint for injunctive and other equitable relief in order to
add defendant Ecommex, Corp. filed 4/22/02.
Stipulated preliminary injunction as to defendants Scott Burley and E-
Credit Solutions entered 4/22/02.
Preliminary injunction hearing held for remaining defendants on 4/19/02
and 4/22/02.
Consent agreement for preliminary injunctive relief as to Exommex Corp.,
Millennium Communications, Capital Choice Consumer Credit,
Inc., and Ricardo Martinez entered 4/23/02.
Second amended complaint adding Johnnie Smith, Wilfredo Lugo, and
Zentel Enterprises as additional defendants filed 8/8/02.
Motion for partial summary judgment against defendants Capital Choice
Consumer Credit, Millennium Communications and Fulfillment,
and Ecommex Corp. filed 1/24/03.
Response in opposition to motion for partial summary judgment filed
2/20/03.
Reply in support of motion for partial summary judgment filed 3/3/03.
Stipulated final judgment and order as to defendants E-Credit Solutions,
Inc., Scott A. Burley, and Zentel Enterprises, Inc., requiring

partial

payment of \$601,031.58 for consumer redress entered 5/21/03.

Order granting in part and denying in part Commission's motion for summary judgment entered 6/2/03.

Commission's motion to file third amended complaint for injunctive and other equitable relief against remaining defendants, adding charges of violating the Electronic Fund Transfer Act and Regulation E in connection with their upsales filed 6/4/03; denied 6/6/03.

Trial held 6/30/03-7/10/03.

FTC v. CAPITAL CITY MORTGAGE CORP., Civ. No. 98-237 (D.D.C.)

Parties: Capital City Mortgage Corp.
Eric J. Sanne
Thomas K. Nash
The Estate of Thomas K. Nash
The Nash Family Trust
The Nash Marital Trust
Katherine R. Nash Trust
Ann E. Nash Trust
Carolyn D. Nash Trust
Alan W. Nash (Trustee of the above daughter trusts and the Nash Family Trust)
Donald S. Nash

Assigned Attorneys: Bradley H. Blower (BCP/FP)
Sandra M. Wilmore
Alain H. Sheer
Amy Quester

Alleged Conduct: Violations of Section 5, the Truth in Lending Act, the Fair Debt Collection Practices Act, and the Equal Credit Opportunity Act by a “subprime” mortgage lender.

Status: Complaint filed 1/28/98.
Defendants’ motion for summary judgment denied 7/13/98.
Defendants’ motion for protective order limiting discovery denied 8/28/98.

Amended complaint adding defendant Eric J. Sanne filed 3/11/99.
Separate motions for partial summary judgment filed by the Commission and the defendants, 1/21/00.
Commission’s motion for partial summary judgment granted in part, denied in part, 10/10/00.
Trial originally scheduled for 4/6/02 postponed after the death of defendant Thomas K. Nash.
Order substituting the Estate of Thomas K. Nash for Thomas K. Nash as a defendant entered 4/16/02.
Motion to file a second amended complaint to add relief defendants necessitated by the death of defendant Nash filed 4/17/02.
Temporary asset freeze against Capital City Mortgage Corp. issued 4/26/02.
Order granting motion to file amended complaint adding relief defendants Nash Family Trust, Nash Marital Trust, Katherine R. Nash Trust, Ann E. Nash Trust, Carolyn D. Nash Trust, and Donald S. Nash entered 3/18/03; amended complaint filed 3/19/03.
Dismissal of complaint as to defendants Katherine R. Nash Trust, Ann E.

Nash Trust, Carolyn D. Nash Trust, and Donald S. Nash entered
5/12/03.
Trial scheduled for 3/15/04.

FTC v. CASTLE PUBLISHING, No. A03-CA-905SS (W.D. Tex.)

Parties: Castle Publishing
Treigh Dustin Hubbard

Assigned Attorneys: Randall H. Brook (NWR)
Eleanor Durham

Alleged Conduct: Deceptive practices in violation of Section 5 in connection with the sale of
envelope stuffing employment opportunities.

Status: Complaint for injunctive and other equitable relief filed 12/9/03.
Ex parte TRO with asset freeze entered 12/9/03.

FTC v. CELLA, No. CV-03-3202 GAF (SHSx) (C.D.Cal.)

Parties: Patrick Cella, d/b/a Quik Cash, U-Mail, Innovative Services, Central Solutions, Parallax Business Services and Ace Distributing Center
David Herrera, d/b/a Quik Cash, U-Mail, Innovative Services, Central Solutions, Parallax Business Services, Ace Distributing Center, Executive Worldwide Easy Money, Coast Distributing and Credit Solutions
Irene Herrera, d/b/a Quik Cash, Innovative Services, Central Solutions and Executive Worldwide
James Zezula, d/b/a Easy Money, Coast Distributing and Credit Solutions
Vincent Zezula, d/b/a Coast Distributing and Executive Worldwide

Assigned Attorneys: Michael J. Davis (BCP/MP)
Colleen B. Robbins
Kenneth H. Abbe (WR-LA)

Alleged Conduct: Deceptive practices in violation of Section 5 in connection with the sale of purported envelope stuffing, work-at-home opportunities.

Status: Complaint for permanent injunction and other equitable relief filed 5/7/03.
Ex parte TRO with asset freeze and other equitable relief entered 5/7/03.
Stipulated preliminary injunction with asset freeze and other equitable relief as to defendant Patrick Cella entered 5/28/03.
Stipulated preliminary injunction with asset freeze and other equitable relief as to defendants Irene Herrera, James Zezula, and Vincent Zezula entered 5/28/03.
First amended complaint for permanent injunction and other equitable relief, adding defendant David Herrera, filed 7/14/03.
Stipulated judgment and order for permanent injunction as to defendant Patrick Cella entered 11/20/03.
Stipulated judgment and order for permanent injunction as to defendants David Herrera, Irene Herrera, James Zezula, and Vincent Zezula entered 11/20/03.

FTC v. CHASE, No. C-03-2139 (N.D. Cal.)

Party: Ken Chase, d/b/a Free Do Not Call List.org and National Do Not Call.
List.US

Assigned Attorneys: Elizabeth A. Hone (BCP/MP)
Brad Winter

Alleged Conduct: Deceptive practices in violation of Section 5 in connection with websites
claiming to be able to preregister consumers for the Commission's
National Do Not Call Registry for an annual fee.

Status: Complaint for injunctive and other equitable relief filed 5/6/03.
Stipulated preliminary injunction entered 7/29/03.
Stipulated final order for permanent injunction and other equitable relief
entered 12/3/03.

FTC v. CHECK INVESTORS, INC., No. 03-2115 (JWB) (D.N.J.)

Parties: Check Investors, Inc.,
Check Enforcement, Inc.,
Jaredco, Inc.,
Barry S. Sussman
Elisabeth M. Sussman, a/k/a Elisabeth Rabin
Charles T. Hutchins

Assigned Attorneys: Gregory A. Ashe (BCP/FP)
Seena D. Gressin
Karen S. Hobbs

Alleged Conduct: Deceptive practices in violation of the Fair Debt Collection Practices Act
and Section 5 in connection with the collection of payments for checks
returned by financial institutions for non-sufficient funds.

Status: Complaint for injunctive and other equitable relief filed 5/12/03.
TRO with asset freeze, expedited discovery, and other equitable relief
entered 5/19/03.
Preliminary injunction hearing held 7/9/03.
Preliminary injunction entered 8/14/03.

FTC v. CLICKFORMAIL.COM, INC., No. 03C-3033 (N.D. Ill.)

Parties: ClickForMail.com, Inc., d/b/a AllPreApproved.com
Harvey B. Vaughn, III

Assigned Attorneys: William J. Hodor (MWR)
Karen D. Dodge

Alleged Conduct: Deceptive practices in violation of Section 5 in connection with the offering of advance-fee credit cards.

Status: Complaint for permanent injunction and other equitable relief filed 5/7/03.
Stipulated TRO entered 5/19/03.
TRO extended 7/11/03.
Stipulated permanent injunction and final judgment order, providing \$815,000 in consumer redress, entered 10/2/03.

FTC v. THE COLLEGE ADVANTAGE, INC., No. 4:03CV179 (E.D. Tex.)

Parties: The College Advantage, Inc., d/b/a College Funding Center
Alan E. Baron
C. Funding Group, LLC, d/b/a College Funding Group
Edward F. Jacobs
Donna S. Baron
Claudia L. Jacobs

Assigned Attorneys: Gary D. Kennedy (SWR)
Judith A. Shepherd

Alleged Conduct: Deceptive practices in violation of Section 5 in connection with the offer of a financial aid program, falsely promising to procure 100% of the funding necessary for college for a fee.

Status: Complaint for permanent injunction and other equitable relief filed 5/7/03.
Ex Parte TRO with asset freeze entered 5/7/03.
Preliminary injunction hearing held 5/16/03.
Preliminary injunction with asset freeze entered 5/23/03.
Amended complaint adding relief defendants Donna S. Baron and Claudia L. Jacobs filed 6/25/03.
Order finding defendants Alan Baron and Edward Jacobs to be in contempt for violating the preliminary injunction order entered 7/21/03.
Stipulated order for preliminary injunction with asset freeze as to defendants Donna Baron and Claudia Jacobs entered 8/8/03.
Trial scheduled for 4/4/04.

FTC v. COMMUNITY AFFAIRS, INC., No. 03-60852 CIV-MARRA (S.D. Fla.)

Parties: Community Affairs, Inc., a/k/a Powertel and Mountaineer Teleservices
Christopher Heins
Luis Ferreira

Assigned Attorneys: Stephen Gurwitz (BCP/MP)
Markus Heyder

Alleged Conduct: Deceptive practices in violation of Section 5 in connection with
telemarketing solicitations on behalf of various non-profit organizations.

Status: Complaint for injunction and other equitable relief filed 5/7/03.
Defendants' motion to dismiss the complaint filed 6/13/03; Commission's
opposition filed 6/26/03; Defendants' reply filed 7/3/03.

FTC v. COMTEL COMMUNICATIONS GLOBAL NETWORK, INC., No. 96-CV-3134
HIGHSMITH/GARBER (S.D. Fla.)

Parties: Comtel Communications Global Network, Inc.
Marc Zimmerman
Victoria Zimmerman
Eric Zimmerman
Philip Berger
International Toy Distributors, Inc.
David Silbergleit
Michael Greenberg

Assigned Attorney: Douglas Wolfe (BCP/MP)

Alleged Conduct: Deceptive practices and Franchise Rule violations in the sale of payphone
business opportunities.

Status: Complaint filed 11/4/96.
Ex parte TRO with asset freeze entered 11/5/96.
Stipulated preliminary injunction entered 1/7/97 and 1/10/97.
Amended complaint filed and TRO against 3 additional defendants
entered 3/14/97.
Motion for civil contempt filed 8/97; contempt order entered as to 3
defendants, 12/19/97.
Stipulated final judgment filed 9/13/00; entered 9/19/00.
Commission's motion for contempt against Eric Zimmerman for
violations of a permanent injunction and an ex parte TRO for
violations of the ban against his participation in any manner in the
offering or sale of business opportunities filed 9/10/03.
Ex parte TRO entered 9/12/03.
Order postponing show cause hearing due to Eric Zimmerman's
incarceration for probation violation entered 10/20/03.

FTC v. CONSUMER ALLIANCE, INC., No. 02C-2429 (N.D. Ill.)

Parties: Consumer Alliance, Inc., a/k/a 1421914 Ontario Inc.
Biosource Financial, Inc.
Steven Winter
Gordon Levoy
Jason C. Williams
Danny Longo

Assigned Attorney: David A. O'Toole (MWR)

Alleged Conduct: Unfair and deceptive practices in violation of Section 5 and the
Telemarketing Sales Rule in connection with the telemarketing of advance
fee credit card services and credit card protection services.

Status: Complaint for injunctive and other equitable relief filed 4/2/02.
Commission's motion for summary judgement filed 1/30/03.
Defendants Biosource, Levoy, Williams and Longo's response to motion
for summary judgment filed 3/14/03.
Commission's reply in support of summary judgment filed 3/21/03.
Order granting summary judgment for Commission as to liability entered
9/29/03.
Order for permanent injunction entered 10/17/03.

FTC v. CREDIT ENHANCEMENT SERVICES, LLC, No. CV-02-2134 (E.D.N.Y.)

Parties: Credit Enhancement Services, LLC
Liberty Benefits, LLC
Broadway Management, LLC
Check Fee, LLC, a/k/a Titanium Blue
Port of Call Centers, LLC
Port of Call Centers NY, LLC
Frederick J. Dick, Jr.

Assigned Attorney: Michele Stolls (NER)
Ann Weintraub

Alleged Conduct: Deceptive practices in violation of Section 5 and the Telemarketing Sales Rule in connection with the marketing and sale of advance fee credit cards.

Status: Complaint for injunctive and other equitable relief filed 4/9/02.
Stipulated preliminary injunction order, containing an asset freeze provision, entered 5/29/02.
Motion to amend complaint adding defendants Liberty Benefits, LLC; Broadway Management, LLC; Check Fee, LLC, a/k/a Titanium Blue; Port of Call Centers, LLC; Port of Call Centers NY, LLC filed 8/29/02; granted 10/1/02.
Amended complaint filed 10/8/02.
Motion for preliminary injunction as to the new defendants filed 11/4/02.
Stipulated order for preliminary injunction, including asset freeze, as to the new defendants entered 11/7/02.
Commission's statement of material facts not in dispute on motion for summary judgment on liability, with defendants' counter-statement, filed 3/13/03.
Commission's motion for summary judgment on liability and damages filed 6/30/03; defendants' opposition filed 7/18/03; Commission's reply filed 7/29/03.

FTC v. CSCT, INC., No. 03-C-00880 (N.D. Ill.)

Parties: CSCT, Inc.
CSCT, Ltd.
John Leslie Armstrong
Michael John Reynolds

Assigned Attorneys: Katherine Romano Schnack (MWR)
Rolando Berrelez

Alleged Conduct: Deceptive practices in violation of Sections 5 and 12 of the FTC Act in connection with the marketing of purported electromagnetic cancer therapy.

Status: Complaint for permanent injunction and other equitable relief filed 2/6/03.
Ex parte TRO entered 2/11/03.
Preliminary injunction entered 2/21/03.
Order finding defendants in contempt entered 7/2/03.
Motion for entry of default against defendant CSCT, Ltd. filed and granted 9/24/03.

FTC v. CYBERSPACE.COM, LLC, No. 00-CV-01806 (W.D. Wash.)

Parties: Cyberspace.com, LLC
French Dreams
Coto Settlement
Electronic Publishing Ventures
Olympic Telecommunications, Inc.
Ian Eisenberg
Chris Hebard

Assigned Attorneys: Collot Guerard (BCP/MP)
Michael Goodman

Alleged Conduct: Deceptive practices in violation of Section 5 in connection with the marketing and sale of Internet services.

Status: Complaint filed 10/20/00.
Stipulated permanent injunction as to defendants Ian Eisenberg, French Dreams, and Olympic Telecommunications filed 10/10/00; entered 10/23/00.
Stipulated permanent injunction as to defendants Chris Hebard and Coto Settlement filed 10/20/00; entered 10/23/00.
Plaintiff's application for entry of default as to Cyberspace.com, LLC and as to Electronic Publishing Ventures, LLC filed 12/18/00.
Orders of default entered against Cyberspace.com, LLC, and Electronic Publishing Ventures, LLC entered 12/21/00.
Answers of defendants C. Hebard and Coto Settlement filed 3/26/01.
Answers and cross-complaint (against C. Hebard and Coto Settlement) of defendants French Dreams, Olympic Telecommunications, Inc., and Ian Eisenberg, filed 3/29/01.
Commission's motion to dismiss debtor EPV's related Chapter 11 bankruptcy case filed 3/29/01.
Notice of withdrawal of disclosure statement by debtor EPV in related Chapter 11 bankruptcy case filed 4/3/01.
Commission's motion to strike affirmative defenses of French Dreams, Olympic Telecommunications and Ian Eisenberg and, separately, to strike those of Coto Settlement and Chris Hebard filed 4/17/01.
Order granting in part and denying in part motions to strike affirmative defenses of Coto Settlement and Chris Hebard and of Ian Eisenberg, Olympic Telecommunications and French Dreams entered 5/30/01.
Order dismissing EPV's related Chapter 11 bankruptcy case entered 6/6/01.
Order granting Commission's motion for summary judgment as to liability, directing parties to try to resolve the amount of consumer redress through mediation with magistrate, entered 7/10/02.

Commission's brief showing amount of unreimbursed consumer injury filed 4/28/03; defendant's briefs regarding consumer injury filed 7/21/03; Commission's response filed 7/24/03.

Commission's motion for leave to file its case-in chief on consumer injury through written testimony filed 11/26/03; opposition by Hebard and objection by Eisenberg filed 12/8/03.

Order setting hearing for 1/5/04 and ordering that all parties present their case-in chief through written testimony, with the declarants available for cross-examination entered 12/8/03.

Commission and defendants' cases-in chief via deposition testimony, declarations, and exhibits filed 12/29/03.

FTC v. D SQUARED SOLUTIONS, LLC, No. 03-CV-3108 (D. Md.)

Parties: D Squared Solutions, LLC
Anish Dhingra
Jeffrey Davis

Assigned Attorneys: Daniel R. Salsburg (BCP/MP)
Mona S. Spivack

Alleged Conduct: Unfair and deceptive practices in violation of Section 5 in connection with bombarding consumers' computers with Windows Messenger Service "pop up" spam that pitches "pop up"-removal software.

Status: Complaint for injunctive and other equitable relief filed 10/30/03.
Ex parte TRO entered 10/30/03.
Commission's motion for a preliminary injunction filed 10/30/03;
response filed 11/26/03; reply filed 12/8/03; order denying motion
and vacating TRO entered 12/16/03.

FTC v. D&C NATIONAL HOLDINGS LTD., No. CV02-0058 (W.D. Wash.)

Parties: D&C National Holdings Ltd.
First British National Holdings Ltd.
Omid Tahvili
Derrick Squires
Reginald Pal

Assigned Attorney: Joseph A. Lipinsky (NWR)

Alleged Conduct: Deceptive practices in violation of Section 5 and the Telemarketing Sales Rule in connection with the telemarketing of foreign lotteries and British bonds.

Status: Complaint for injunctive and other equitable relief filed 5/23/02.
TRO entered 5/24/02.
Stipulated TRO as to defendants Omid Tahvili, Reginald Pal, and First British National Holdings Ltd., entered 6/12/02.
Order for entry of defaults as to defendants Derrick Squires and D&C National Holdings Ltd, entered 12/30/02.

FTC v. DATATECH COMMUNICATIONS, INC., No. 03C 6249 (N.D. Ill.)

Parties: Datatech Communications, Inc.
9106 Quebec, Inc., d/b/a Datatech Communications, Inc.
9102-3127 Quebec, Inc., d/b/a I-Point Media
Robert Brewer
Elias Bakomichalis
Gregory MacNeil

Assigned Attorneys: Theresa M. McGrew (MWR)
Nicholas J. Franczyk

Alleged Conduct: Deceptive practices in violation of Section 5 in connection with the sale of listings in business directories via interstate telephone calls.

Status: Complaint for a permanent injunction and other equitable relief filed 9/8/03.
TRO with asset freeze entered 9/8/03.
Stipulated extension of TRO entered 10/1/03, 10/23/03 and 11/21/03.

FTC v. DAVISON & ASSOCIATES, INC., No. 97-1278 (W.D. Pa.)

Parties: Davison & Associates, Inc. George M. Davison III
Thomas Dowler Gordon M. Davison
Manufacturer's Support Services, Inc. Barbara Davison
Barbara Miele

Assigned Attorneys: Steven W. Balster (ECR)
Michael Milgrom
Brenda W. Doubrava
Albert W. Schollaert (AUSA)

Alleged Conduct: Deceptive practices in the sale of invention-promotion services.

Status: Complaint filed 7/15/97.
TRO, including asset freeze and appointment of receiver, entered 7/15/97;
extended by agreement.
Amended complaint adding defendants filed 3/23/98.
Stipulated permanent injunction as to defendant Dowler entered 2/22/99.
Commission motion for summary judgment filed 4/5/99.
Defendants' opposition to summary judgment filed 6/1/99.
Commission reply to defendants' opposition to summary judgment filed
6/17/99.
Hearing on summary judgment motion held 8/4/99.
Commission's motion for preliminary injunction filed 4/3/01.
Defendants' response filed 4/25/01.
Commission's reply filed 5/4/01.
Defendants' reply filed 5/21/01.
Memorandum opinion denying Commission's motion for a preliminary
injunction entered 3/31/03.
Order referring case to Magistrate Judge Gary L. Lancaster entered
4/24/03.
Report and recommendation of Magistrate Judge Lancaster that
Commission's motion for summary judgment be denied entered
4/24/03.
Commission's objections to the report and recommendation filed 5/8/03.
Defendants' opposition to Commission's objections filed 5/22/03.
Commission's reply in support of objections filed 6/2/03.
Order denying motion for summary judgment adopting magistrate's report
and recommendations entered 6/10/03.

FTC v. DION, No. 03-40005-NMG (D. Mass.)

Parties: William Scott Dion, d/b/a PT Resource Center and PTRC, a/k/a Don Glessner
Donald Lockwood, d/b/a PT Resource Center and PTRC, and a/k/a Don Glessner
Vivian Lockwood, d/b/a PT Resource Center and PTRC

Assigned Attorneys: Thomas A. Cohn (NER)
Theodore Zang, Jr.

Alleged Conduct: Deceptive practices in violation of Section 5 in connection with the marketing of phony international drivers' licenses via unsolicited commercial emails ("spam") and the internet.

Status: Complaint for injunctive and other equitable relief filed 1/8/03.
Ex parte TRO entered 1/9/03.
Preliminary injunction against Dion entered 2/6/03.
Motion for contempt, against Dion for violating asset freeze provision of the TRO, filed 3/26/03.
Amended complaint, adding defendants Donald Lockwood and Vivian Lockwood, filed 3/27/03.
Motion for preliminary injunction filed 3/27/03.
Contempt hearing held 4/11/03.
Motion for summary judgment against Dion filed 5/14/03; denied without prejudice 6/13/03.
Contempt order against Dion entered 6/13/03.
Preliminary injunction extended to the Lockwood defendants entered 7/23/03.
Commission's motion for summary judgment against the Lockwood defendants filed 8/25/03; motion denied as moot 9/23/03.
Commission's motion for default judgment as to the Lockwood defendants filed 8/28/03; motion granted 9/23/03.
Trial postponed indefinitely.

FTC v. DOMAIN REGISTRY OF AMERICA, INC., No. 03 CV 10075 (S.D.N.Y.)

Party: Domain Registry of America, Inc.

Assigned Attorneys: Stephen L. Cohen (BCP/MP)
Eric A. Wenger
Ann F. Weintraub (NER)

Alleged Conduct: Deceptive practices in violation of Section 5 and the Truth in Lending Act in connection with the sale of domain name registration services.

Status: Complaint for permanent injunction and other equitable relief filed 12/19/03.
Stipulated final judgment and order for permanent injunction and consumer redress filed 12/19/03.

FTC v. DPS ACTIVITY PUBLISHING, LTD, No. C-03-1078 (W.D. Wash.)

Parties: DPS Activity Publishing, Ltd, d/b/a Healing Hands Busy Books
David Suggitt
Tabea Suggitt
Mary Ann Rewniak, a/k/a Mary Ann Wilson-Rennick and Mary Ann Wilson

Assigned Attorney: Nadine Samter (NWR)

Alleged Conduct: Deceptive practices in violation of Section 5 in connection with a scheme to solicit small businesses to purchase children's books for hospitals.

Status: Complaint for permanent injunction and other equitable relief filed 5/12/03.
TRO, order withholding mail sent to commercial mail receiving agencies, and order permitting expedited discovery entered 5/13/03.
Stipulated preliminary injunction entered 6/3/03.
Commission's motion for default judgment and order for permanent injunction and monetary relief as to defendants DPS Activity, Publishing, Ltd, David Suggitt, and Tabea Suggitt filed 11/19/03; granted 12/2/03.

FTC v. DR. CLARK RESEARCH ASSOCIATION, No. 03-CV-54 (N.D. Ohio)

Parties: Dr. Clark Research Association
Dr. Clark Behandlungszentrum GmbH, d/b/a Dr. Clark Zentrum
David P. Amrein

Assigned Attorney: Michael Milgrom (ECR)

Alleged Conduct: Deceptive practices in violation of Sections 5 and 12 in connection with the marketing and sale of dietary supplements and devices that “cure” serious diseases.

Status: Complaint for permanent injunction and other equitable relief filed 1/8/03.
Defendants Dr. Clark Research Association and Amrein’s motions to dismiss for lack of personal jurisdiction and for improper venue filed 2/27/03.
Defendant Dr. Clark Behandlungszentrum GmbH’s motions to dismiss for lack of personal jurisdiction and for improper venue filed 3/27/03.
Opposition to defendants Dr. Clark Research Association and Amrein’s motions to dismiss for lack of personal jurisdiction and for improper venue filed 3/27/03.
Opposition to defendant Dr. Clark Behandlungszentrum GmbH’s motions to dismiss for lack of personal jurisdiction and for improper venue filed 4/2/03.
Motion for TRO and preliminary injunction filed 8/25/03.
Stipulated TRO entered 10/2/03.
Stipulated preliminary injunction entered 11/4/03.

FTC v. DURAISAMI, No. CV-03-1284 RBL (W.D. Wash.)

Parties: Nanda Kumar Duraisami, a/k/a Nanda Dumar and D.N. Kumar, d/b/a Best
American Investment Service
Bellfield Rose International Corp.
BIC
Melbourne International Bank

Assigned Attorney: Maxine Stansell (NWR)

Alleged Conduct: Deceptive practices in violation of Section 5 and the Telemarketing Sales Rule in connection with a scheme involving purported foreign lotteries.

Status: Complaint for injunctive and other equitable relief filed 6/13/03.
Ex parte TRO entered 6/13/03; extended 6/19/03, 7/1/03, and 7/10/03.
Preliminary injunction hearing held 7/16/03.
Preliminary injunction entered 7/17/03.
Commission's motion for default as to defendant Nanda Kumar Duraisami filed 12/10/03; granted 12/15/03.
Commission's motion for default judgment and order for permanent injunction as to all defendants filed 12/16/03; granted 12/29/03.

FTC v. ELECTRONIC FINANCIAL GROUP, INC., No. 03CA211 (W.D. Tex.)

Parties: Electronic Financial Group, Inc.
EFG Card Services, Inc.
Paul McClinton
Jerry Federico
Randy Balusek

Assigned Attorneys: David R. Spiegel (BCP/MP)
James H. Davis

Alleged Conduct: Deceptive practices in violation of the Telemarketing Sales Rule and Section 5 in connection with processing on behalf of fraudulent telemarketers and operating deceptive advance-fee charge card schemes.

Status: Complaint for injunctive and other equitable relief filed 7/7/03.
TRO entered 7/8/03.
Stipulated preliminary injunction entered 8/8/03.

FTC v. ELECTRONIC PRODUCTS DISTRIBUTION, LLC, No. 02CV0888H (AJB) (S.D. Cal.)

Parties: Electronic Products Distribution, LLC
Thomas Nelson
Holly Hernandez
Energizer Products, Inc.
Ab Energizer, L.L.C.
AbFlex USA, Inc.
Martin Van Der Hoeven

Assigned Attorneys: Walter Gross (BCP/ENF)
Laureen Kapin
Amy Lloyd

Alleged Conduct: Deceptive practices in violation of Section 5 in connection with the sale and promotion of an electronic abdominal exercise belt, AB Energizer.

Status: Complaint filed 5/7/02.
Answers for all defendants filed 6/3/02.
Stipulated motion to stay proceedings filed 7/16/03; denied 7/16/03.

FTC v. END70 CORPORATION, No. 3 03CV-0950N (N.D. Tex.)

Parties: End70 Corporation
Damien Zamora

Assigned Attorneys: James R. Golder (SWR)
Deborah W. Dawson
James E. Elliott

Alleged Conduct: Deceptive practices in violation of Section 5 and Telemarketing Sales Rule
in connection with the sale of home-based internet business opportunities.

Status: Complaint for injunction and other equitable relief filed 5/6/03.
TRO with asset freeze entered 5/28/03.
Preliminary injunction hearing held 6/27/03; TRO extended until ruling.
Preliminary injunction entered 7/31/03.
Stipulated final judgment entered 12/11/03.

FTC v. ENFORMA NATURAL PRODUCTS, INC., Nos. 02-57078, 02-56842, 00-56942 (9th Cir.); No. 00-04376 JSL (CWx) (C.D. Cal.)

Parties: Enforma Natural Products, Inc.
Andrew Grey
Fred Zinos

Assigned Attorneys: David P. Frankel (BCP/AP)
Theodore H. Hoppock
Serena Viswanathan
Barbara Chun (WR-LA)
Marilyn E. Kerst (OGC)
Lawrence DeMille-Wagman

Alleged Conduct: Deceptive practices in violation of Sections 5 and 12 in connection with the marketing and sale of weight loss products.

Status: Complaint filed 4/25/00.
Stipulated final judgment as to defendant Zinos filed 4/25/00; entered 5/10/00.
Stipulated final judgment as to defendants Enforma and Grey (including consumer redress of \$10 million) filed 4/25/00; entered 5/11/00.
Corporate defendant's motion to clarify or modify stipulated final judgment filed 10/23/00.
Opposition filed 11/6/00.
Reply filed 11/13/00.
Motion to clarify or modify denied 11/15/00.
Notice of appeal by defendant Enforma Natural Products, Inc. filed 11/19/00.
Emergency motion in court of appeals for stay pending appeal filed 11/20/00.
Opposition filed 11/30/00.
Motion for stay denied 12/7/00.
Application to have defendant Enforma and others held in contempt for violation of stipulated final judgment, filed 1/4/02.
Lower court decision denying motion to clarify or modify final judgment affirmed by court of appeals, 2/12/02.
Second contempt application against defendants Enforma Natural Products, Inc. and Andrew Grey and respondents Twenty-Four Seven, LLC and Donna DiFerdinando filed 7/23/02.
Preliminary injunction regarding weight loss products Acceleron and Chitozyme entered by district court 10/30/02.
Notice of appeal by Enforma Natural Products, Andrew Grey, Twenty-Four Seven, LLC, and Donna DiFerdinando filed 10/31/02.
Appellants' motion for a stay in 9th Circuit (02-56842) filed and denied

11/1/02.

Appellants' opening brief (02-56842) filed 11/29/02; Commission's response brief filed 2/19/03; appellants' reply filed 3/4/03.

Preliminary injunction regarding weight loss products Fat Trapper Plus and Exercise In A Bottle entered by district court 12/09/02.

Notice of appeal by Enforma Natural Products, Andrew Grey, and Michael Ehrman filed 12/12/02.

Appellants' motion for a stay in 9th Circuit (02-57078) filed 12/17/02; Commission's opposition filed 12/19/02; order denying motion for a stay entered 12/19/02.

Appellants' opening brief (02-57078) filed 1/9/03; Commission's response filed 2/6/03; appellants' reply filed 2/19/03.

Contempt hearing in district court held 1/21/03-1/22/03.

Defendants' and respondents' motion to disqualify trial judge in district court filed 4/9/03; granted 05/29/03.

Case reassigned to Judge Stephen Wilson 05/30/03.

Defendants' brief regarding further proceedings in the district court filed 7/10/03; Commission's response filed 7/17/03; Defendants' reply filed 7/24/03.

Oral argument in the 9th Circuit (02-57078) held 9/12/03.

Defendants' and respondents' motion to disqualify court-appointed expert, Dr. David Herber, denied 9/22/03.

Defendants' and respondents' motion to dismiss the two pending contempt applications granted in part and denied in part 11/12/03.

Commission's motion to submit scientific issues to Dr. Heber filed 12/6/03; Defendants' and respondents' opposition filed 12/22/03; Commission's reply filed 12/29/03; hearing set for 1/5/04.

Commission's motion to strike declaration of defense expert, Dr. Burke, filed 12/6/03; Defendants' and respondents' opposition filed 12/22/03; Commission's reply filed 12/29/03; hearing set for 1/5/04.

FTC v. ENGLE, No. 1:03-CV-1072-JEC (N.D. Ga.)

Party: Morgan Engle

Assigned Attorney: Robin L. Rock (SER)

Alleged Conduct: Deceptive practices in violation of Section 5 and the Mail or Telephone Order Merchandise Rule in connection with sales from internet auction web sites.

Status: Complaint for injunctive and other equitable relief filed 4/23/03.
TRO entered 4/23/03.
Stipulated preliminary injunction entered 5/9/03.
Final judgment and order entered 10/6/03.

FTC v. ESSEX MARKETING GROUP, INC., No. 02-CV-3415 (E.D.N.Y.)

Parties: Essex Marketing Group, Inc.
Westbrook Marketing Group, Inc.
Westbrook Marketing Associates, LLC
Manhattan Vending, LLC
Richard J. Guadagno, a/k/a Rich Dano, Rich Guadano and Richard Guadago
Jack G. Schwartz
Henry Sanchez

Assigned Attorneys: Ann F. Weintraub (NER)
Ronald L. Waldman

Alleged Conduct: Deceptive practices in violation of Section 5 and the Franchise Rule in connection with the offering and sale of vending machine business ventures.

Status: Complaint for injunctive and other equitable relief filed 6/13/02.
Order that case be put under seal entered 6/14/02.
Stipulated TRO against all parties except Schwartz entered 6/27/02.
Stipulated TRO against Schwartz entered 7/17/02.
Stipulated preliminary injunction against Schwartz entered 10/4/02.
Seal lifted 10/11/02.
Stipulated preliminary injunction against all parties except Schwartz entered 2/27/03.

FTC v. EXPITAR CORPORATION, No. 03-CV-8511 (DAB) (S.D.N.Y.)

Parties: Expitar Corporation
Liberty Online Services, Inc.
National Online Services, Inc.
B2B Advantage, Inc., a/k/a SBA Online, Inc.
William Douglas Rhodes

Assigned Attorneys: Carole A. Paynter (NER)
Ann F. Weintraub
Maria Coppola
Mazor Matzkevich

Alleged Conduct: Unfair and deceptive practices in violation of Section 5 in connection with the sale of internet services to small businesses.

Status: Complaint for injunctive and other equitable relief filed 10/28/03.
TRO with asset freeze entered 10/29/03.
Stipulated preliminary injunction entered 11/21/03.

FTC v. FINANCIAL RESOURCES UNLIMITED, INC., No. 03-C-8864 (N.D. Ill.)

Parties: Financial Resources Unlimited, Inc.
Supreme Mailing Services, Inc.
Mark E. Shelton, d/b/a L. Lewis & Associates, A. Joseph & Associates

Assigned Attorney: John C. Hallerud (MWR)

Alleged Conduct: Deceptive practices in violation of Section 5 in connection with the sale of envelope stuffing employment opportunities.

Status: Complaint for injunctive and other equitable relief filed 12/9/03.
TRO with asset freeze entered 12/15/03.

FTC v. FREECOM COMMUNICATIONS, INC., No. 03-4063 (10th Cir.); No. 2:96CV492 (D. Utah)

Parties:	FreeCom Communications, Inc.	
	American Home Business Association, Inc.	
	Financial Freedom Report, Inc.	Dana P. Gull
	Silent Salesforce, Inc.	Eleva, Inc.
	FFR Marketing, Inc.	Mark O. Haroldsen
	Robert V. Brazell	Don S. Gull
	Kelly Haroldsen	Annette S. Brazell

Assigned Attorneys: David Newman (WR-SF)
Janice Charter
Larence DeMille-Wagman (OGC)

Alleged Conduct: Deceptive practices in the sale of home-based business ventures.

Status: Complaint filed 6/4/96; stipulated TRO entered 6/14/96.
Motion to dismiss denied 4/21/98.
Consent decree and permanent injunction as to Brazell defendants entered 12/28/98.
Stipulated final judgment as to Haroldsen filed 8/10/99; entered 8/11/99.
Order reassigning the case to another judge entered 12/7/99.
Consent decree as to defendant American Home Business Association filed 9/7/00; entered 9/12/00.
Consent decree and order for preliminary injunction with respect to defendants FreeCom Communications Inc., Freedom Report, Inc., Financial Freedom Report Marketing, Inc. and Silent Salesforce, Inc. filed 10/22/01; entered 10/22/01.
Trial held 10/22/01 through 10/30/01.
Defendant's proposed findings and conclusions adopted, with amendments, 10/30/01.
Judgment for defendant Haroldsen and against the Commission entered 2/12/02.
Commission's motion to amend judgment and amend findings of fact and conclusions of law filed 2/25/02.
Amended judgment entered 3/13/02.
Defendant Brazell's motion for relief from consent decree filed 4/23/02.
Opposition to motion for relief from consent decree filed 5/7/02.
Reply memorandum in support of motion for relief from consent decree filed 5/20/02.
Order denying motion for relief from consent decree entered 7/16/02.
Hearing on defendant Haroldsen's motion for attorney's fees held 9/12/02.
Court's findings of fact and conclusions of law re: attorney's fees and expenses under EAJA entered 1/22/03.
Notice of appeal by the Commission filed 3/24/03.

Commission's brief filed 6/3/03.
Appellee's response brief filed 8/6/03.
Commission's reply brief filed 9/24/03.

FTC v. GARVEY, Nos. 03-55179 (9th Cir); 00-9358 GAF (CWx) (C.D. Cal.)

Parties: Steven Patrick Garvey, a/k/a Steve Garvey
Garvey Management Group, Inc.
Lark Kendall, a/k/a Kendall Carson
Mark Levine
Modern Interactive Technology, Inc.
David Richmond

Assigned Attorneys: David P. Frankel (BCP/AP)
Theodore H. Hoppock
Serena Viswanathan
Melvin H. Orlans (OGC)

Alleged Conduct: Deceptive practices in violation of Section 5 in connection with the marketing and sale of a weight loss product.

Status: Complaint filed 8/31/00.
Stipulated final judgment as to defendant Kendall filed 8/31/00; entered 11/15/00.
Order reassigning case to a new judge entered 9/25/00.
Defendants' motion to dismiss filed 10/13/00; denied 11/15/00.
Opposition filed 11/6/00.
Reply filed 11/13/00.
Defendants' answers to complaint filed 12/15/00.
Motion to strike defendants' affirmative defense against the Commission filed 1/4/01; granted 4/24/01.
Commission's motion for partial summary judgment as to defendants Modern Interactive, Mark Levine and David Richmond filed 6/1/01; denied as moot 8/14/01.
Defendants' motion for summary judgment as to all defendants filed 7/2/01; granted 8/13/01 as to defendants Modern Interactive, Mark Levine and David Richmond; denied 8/13/01 as to Steve Garvey and Garvey Management.
Commission's motion for reconsideration filed 8/24/01; denied 9/19/01.
Defendants' motion for summary judgment as to Steve Garvey and Garvey Management filed 10/1/01; denied 11/8/01.
Trial held 3/5/02 through 3/8/02.
Judgment in favor of defendants entered 11/26/02.
Notice of appeal filed 1/23/03.
Commission's opening brief filed 5/9/03.
Appellee's answering brief filed 7/8/03.
Commission's reply brief filed 8/6/03.

FTC v. GLOBAL WEB SOLUTIONS, INC., No. 03-CV-2031-HHK (D.D.C.)

Parties: Global Web Solutions, Inc., d/b/a USA Immigration Services, US
Immigrations Online, USAIS, and USIO
John Romano
Hoda M. Nofal

Assigned Attorneys: Gregory A. Ashe (BCP/ENF)
James Reilly Dolan
Joel N. Brewer

Alleged Conduct: Deceptive practices in violation of Section 5 in connection with the sale of
travel and residency status documents and services through the internet.

Status: Complaint for injunctive and other equitable relief filed 10/1/03.
TRO entered 10/2/03.
Stipulated preliminary injunction entered 12/26/03.

FTC v. GREENWELL, No. H-03-1553 (S.D. Tex.)

Party: Clinton R. Greenwell, d/b/a The Police Bulletin, State Police Magazine,
State Police Enforcers Yearbook, State Police Officers Yearbook,
Firefighters News Journal, and Creative Publishing

Assigned Attorneys: W. David Griggs (SWR)
Susan A. Arthur

Alleged Conduct: Deceptive practices in violation of Section 5 in connection with the
solicitation of businesses to place advertising in purported law
enforcement publications.

Status: Complaint for injunctive and other relief filed 5/8/03.
Ex parte TRO with asset freeze entered 5/8/03.
Stipulated preliminary injunction order entered 5/16/03.
Stipulated final judgment and order for permanent injunction entered
10/24/03.

FTC v. GREETING CARDS OF AMERICA, INC., No. 03-60746-Civ-Gold (S.D. Fla.)

Parties: Greeting Cards of America, Inc.
Gerald Towbin, a/k/a Alex Carr and John Grant
Susan Towbin, a/k/a Mary Grant and Sandy Grant
American Eagle Placements
Forrest Adams

Assigned Attorney: Harold E. Kirtz (SER)

Alleged Conduct: Deceptive practices in violation of Section 5 and the Franchise Rule in connection with the sale of greeting card business opportunities.

Status: Complaint for injunctive and other equitable relief filed 4/21/03.
TRO granted 4/21/03.
Stipulated preliminary injunction as to defendants Greeting Cards of America, Inc., Gerald Towbin, and Susan Towbin entered 5/14/03.
Stipulated preliminary injunction as to defendants American Eagle Placements and Forrest Adams entered 5/21/03.
Order directing parties to mediation entered 8/7/03.
Commission's motion for summary judgment as to defendants Greeting Cards of America, Inc., Gerald Towbin, and Susan Towbin filed 12/31/03.

FTC v. HANSON PUBLICATIONS, INC., No. 1-02-02205-DCN (N.D. Ohio)

Parties: Hanson Publications, Inc.
9069-5057 Quebec, Inc., d/b/a Hanson Publications, Inc.
Associated Merchant Paper Supplies, Inc., d/b/a AMPS and Fourniturede
Papier Associated Merchant, Inc.
Albert Mouyal
Adrian P. Towing
Charles Hamouth

Assigned Attorneys: Jon Miller Steiger (ECR)
Larissa L. Bungo
Jonathan Kessler

Alleged Conduct: Deceptive practices in violation of Section 5 and the Telemarketing Sales Rule in connection with the offering for sale and sale of business directories and nondurable office supplies.

Status: Complaint for injunctive and other equitable relief filed 11/8/02.
TRO with asset freeze entered 11/12/02.
Preliminary injunction as to all defendants except Albert Mouyal entered 12/6/02.
Stipulated preliminary injunction as to Albert Mouyal entered 12/13/02.
Order to show cause why certain defendants should not be held in contempt entered 1/10/03.
Motion to stay, by defendants Adrian Towing, Charles Hamouth, Hanson Publications, 9069-5057 Quebec, and Associated Merchant Paper Supplies, filed 1/14/03.
Commission's opposition to defendants' motion to stay filed 1/31/03.
Commission's supplemental opposition to defendants' motion to stay filed 2/4/03.
Order denying defendants' motion to stay entered 2/14/03.
Commission's motion for an expedited rescheduling of the contempt show cause hearing filed 2/21/03.
Commission's second expedited motion for order to show cause why certain defendants should not be held in contempt filed 4/22/03.
Order finding certain defendants in contempt of court and imposing daily monetary sanctions entered 5/1/03.
Commission's motion for summary judgment against all defendants filed 10/15/03.
Order continuing trial date to allow for settlement entered 11/19/03.
Trial scheduled for 2/16/04.

FTC v. HILL, No. 03-CV-5537 (S.D. Tex.)

Party: Zachary Keith Hill

Assigned Attorneys: Eric A. Wenger (BCP/MP)
Patricia H. Poss

Alleged Conduct: Unfair and deceptive practices in violation of Section 5 and the Gramm-Leach-Bliley Act in connection with the solicitation of financial information from consumers using spam e-mail messages that purport to come from other sources.

Status: Complaint for permanent injunction and other equitable relief filed 12/3/03.
TRO with asset freeze entered 12/4/03.
Stipulated preliminary injunction entered 12/17/03.

FTC v. HUDSON BERKLEY CORPORATION, No. CV-S-02-0649-PMP-RJJ (D. Nev.)

Parties: Hudson Berkley Corporation
Bismarck Labs Corporation
TMI Tricom Marketing, Inc.
CCI CAD CAM Industries Ltd, Inc.
Matthias Granic
Bernd Ebert
Oliver Braun

Assigned Attorneys: Keith Fentonmiller (BCP/AP)
Edward Glennon
Kial Young

Alleged Conduct: Deceptive practices in violation of Section 5 in connection with the sale and promotion of an electronic abdominal exercise belt, AbTronic.

Status: Complaint filed 5/7/02.
Preliminary injunction as to defendant CCI CAD CAM Industries, Ltd., Inc. entered 7/5/02.
Preliminary injunction hearing as to defendants Hudson Berkley Corporation, Matthias Granic, Bismarck Labs Corporation, TMI Tricom Marketing, Inc., and Bernd Ebert held 7/9/02.
Order denying preliminary injunction as to defendants Hudson Berkley Corporation, Matthias Granic, Bismarck Labs Corporation, TMI Tricom Marketing, Inc., and Bernd Ebert entered 7/11/02.
Motion for leave to file amended complaint adding defendant Oliver Braun filed 11/6/02.
Motion to declare service on defendant CCI CAD CAM Industries, Ltd., Inc. filed 12/23/02.
Amended complaint adding defendant Oliver Braun filed 1/9/03.
Commission's motion for partial summary judgment against defendants Hudson Berkley Corporation, Matthias Granic, Bismarck Labs Corporation, TMI Tricom Marketing, Inc., and Bernd Ebert filed 4/8/03.
Judgment and order for permanent injunction with a monetary judgment of \$83,754,669 entered 6/30/03.
Clerk's entry of default as to defendants CCI CAD CAM Industries Ltd, Inc. and Oliver Braun entered 9/22/03.

FTC v. IBARRA, No. CV-S-0942-JCM-PAL (D. Nev.)

Party: Yanira Ibarra

Assigned Attorneys: Jerome M. Steiner, Jr. (WR-SF)
Janice L. Charter
David M. Newman

Alleged Conduct: Deceptive practices in violation of Section 5 and the Mail or Telephone Order Merchandise Rule in connection with the offering of power tools and other merchandise for sale on Internet auction web sites.

Status: Complaint for permanent injunction and other equitable relief filed 8/6/03.
TRO with asset freeze and injunctive relief entered 8/8/03.
Preliminary injunction with asset freeze and injunctive relief entered 8/15/03.
Default entered 10/3/03.
Order for judgment by default and permanent injunction entered 12/18/03.

FTC v. ICR SERVICES, INC., No. 03C 5532 (N.D. Ill.)

Parties: ICR Services, Inc.
National Credit Education and Review
Bernadino J. Pavone, Jr.
Abood Samaan
Gloria Tactac
Todd Renzi

Assigned Attorneys: Todd M. Kossow (MWR)
Nicholas J. Franczyk

Alleged Conduct: Deceptive practices in violation of Section 5 and the Credit Repair Organizations Act in connection with the sale of credit repair services.

Status: Complaint for permanent injunction and other equitable relief filed 8/8/03.
Stipulated final judgment and order for permanent injunction and consumer redress in the amount of \$1,150,000 entered 8/8/03.
Motion for a rule to show cause why defendants should not be held in civil contempt filed 9/17/03; motion withdrawn 12/17/03.

FTC v. INSPIRED VENTURES, INC., No. 02-CV-21760 (S.D. Fla.)

Parties: Inspired Ventures, Inc.
I.V.I. Management Corp.
Source Systems, Inc.
Jesse Alper
Victor Alper

Assigned Attorneys: Brad Winter (BCP/MP)
K. Michelle Roden

Alleged Conduct: Deceptive practices in violation of Section 5 and the Franchise Rule in connection with business opportunities such as candy and gumball vending machines.

Status: Complaint for injunctive and other equitable relief filed 6/12/02.
Emergency motion for TRO and other equitable relief filed 6/12/02;
granted 6/13/02.
Stipulated preliminary injunction entered 6/26/02.
Amended complaint for injunctive and other equitable relief, adding
defendants I.V.I. Management Corp. and Source Systems, Inc.,
filed 12/18/02.
Order of contempt against defendant Jesse Alper entered 6/19/03.
Stipulated order to stay all proceedings and deadlines pending settlement
entered 7/30/03.

FTC v. INTERACT COMMUNICATIONS, INC., No. 03-81106-CIV-HURLEY/HOPKINS
(S.D. Fla.)

Parties: Interact Communications, Inc.
Sheldon Kaltnitsky

Assigned Attorney: Serena Viswanathan (BCP/AP)

Alleged Conduct: Deceptive practices in violation of Section 5 in connection with the sale of a product that purportedly blocks electromagnetic energy emitted from cellular telephones.

Status: Complaint for permanent injunction and other equitable relief filed
12/1/03.
Stipulated final order for permanent injunction entered 12/17/03.

FTC v. JUBILEE FINANCIAL SERVICES, INC., No. 02-6468 (C.D. Cal.)

Parties: Jubilee Financial Services, Inc.
John E. Gustaven
Jabez Financial Group, Inc.
Curtis Cobb
Gustaven Learning Centers, Inc.
Jemuel Apelar, a/k/a Jim Appelar
Debt Relief Counselors of America
John K. Mitchell

Assigned Attorney: Jennifer Larabee (WR-LA)

Alleged Conduct: Deceptive practices in violation of Section 5 in connection with the marketing and sale of debt negotiation services.

Status: Complaint filed 8/19/02.
Ex parte TRO and appointment of a receiver entered 8/23/02.
Stipulation and order for preliminary injunction as to defendants Curtis Cobb and Jabez Financial Group, Inc. entered 9/4/02.
Stipulation and order for preliminary injunction as to defendants John E. Gustaven and Jubilee Financial Services, Inc. entered 9/4/02.
First amended complaint adding defendants Gustaven Learning Centers, Inc., Jemuel Apelar, Debt Relief Counselors of America, and John K. Mitchell filed 2/4/03.
Stipulation and order for preliminary injunction as to defendant Gustaven Learning Centers, Inc. entered 3/27/03.
Stipulation and final order of permanent injunction as to defendant Curtis Cobb entered 7/9/03.
Stipulation and final order of permanent injunction as to defendant John E. Gustaven entered 7/9/03.
Trial scheduled for 7/20/04.

FTC v. K4 GLOBAL PUBLISHING, INC., No. 5:03-CV-0140-3 (M.D. Ga.)

Parties: K4 Global Publishing, Inc., d/b/a Instant Internet Empires
Kern Family Enterprises, LLC, d/b/a Instant Internet Empires
Irwin F. Kern, IV, a/k/a Frank Kern

Assigned Attorney: Robert G. Schoshinski (BCP/MP)

Alleged Conduct: Deceptive practices in violation of Section 5 in connection with the sale of a pre-packaged internet business.

Status: Complaint for permanent injunction and other equitable relief filed 5/7/03.
Ex parte TRO entered 5/8/03.
Consent motion to stay all proceedings filed 7/3/03; granted 7/14/03.
Stipulated final judgment and order for permanent injunction and other equitable relief, providing \$247,275 in consumer redress, entered 10/14/03.

FTC v. KELLY, No. CV 99 562 RJD (E.D.N.Y.)

Party: Patrick R. Kelly, d/b/a Patrick R. Kelly Enterprises and P.R.K. Enterprises

Assigned Attorney: Ann Weintraub (NER)

Alleged Conduct: Violations of Section 5 and the Credit Repair Organizations Act in connection with counseling consumers to create a new credit identity.

Status: Complaint and motion for preliminary injunction filed 1/29/99.
Preliminary injunction entered 2/10/99.
Motion for summary judgment filed 7/6/01.
Defendant's response to motion for summary judgment and motion to dismiss for improper venue filed 9/28/01.
Reply to defendant's response filed 11/26/01.

FTC v. KUYKENDALL, Nos. 02-6101, 02-6102 (10th Cir.); 96-CV-388-M (W.D. Okla.)

Parties: Diversified Marketing Services, Inc.
H.G. Kuykendall, Jr.
H.G. Kuykendall, Sr.
C.H. Kuykendall
National Marketing Service, Inc.
NPC Corp. of the Midwest
Magazine Club Billing Services, Inc.

Assigned Attorneys: Gary Ivens (BCP/MP)
Brian Huseman
Michele Arington (OGC)
John F. Daly

Alleged Conduct: Action to find defendants in contempt for violating a 1996 stipulated permanent injunction.

Status: Complaint filed 3/12/96.
Stipulated permanent injunction with redress (\$1.5 million) entered 10/18/96.
Commission's motion to show cause why defendants should not be found in contempt for violation of permanent injunction filed 1/28/02.
Order finding defendants in contempt and ordering defendants to pay \$39 million for consumer redress entered 3/4/02.
Motion in district court for stay pending appeal by defendants H.G.Kuykendall, Sr. and C.H. Kuykendall filed 3/22/02.
Notice of appeal by defendants H.G. Kuykendall, Sr. and C.H. Kuykendall filed 3/22/02.
Motion in district court for stay pending appeal by H.G. Kuykendall, Jr. and corporate defendants filed 3/25/02.
Notice of appeal by H.G. Kuykendall, Jr. and corporate defendants filed 3/25/02.
Order granting stay pending appeal contingent on defendants' posting superseding bond entered 4/9/02.
H.G. Kuykendall, Sr.'s and C.H. Kuykendall's motion for reconsideration of superseding bond amount filed 4/25/02; motion granted and bond amount reduced to \$5 million, entered 5/29/02.
Emergency motion by H.G. Kuykendall, Sr. and C.H. Kuykendall for stay pending appeal filed in 10th Circuit, 5/2/02; order denying motion as moot entered 6/11/02.
Opening brief of appellants H.G. Kuykendall, Sr. and C.H. Kuykendall filed 5/28/02.
Opening brief of H.G. Kuykendall, Jr. and corporate defendants filed 6/11/02.
Commission's motion to consolidate appeals filed 6/18/02; motion granted

6/20/02.
Commission's brief filed 7/8/02.
Appellants' reply briefs filed 7/25/02.
Oral argument held 9/27/02.
Opinion and judgment affirming judgment of the district court in all respects, except its determination of the amount of monetary sanctions, and remanding the proceedings for a limited new trial by jury on damages, entered 12/11/02.
Petition for panel rehearing and rehearing en banc by H.G. Kuykendall, Sr. and C.H. Kuykendall filed 12/26/02; denied 1/14/03.
Commission's petition for rehearing en banc filed 1/22/03.
Order directing appellants to file response to Commission's petition for rehearing entered 2/6/03.
Appellants' answers to Commission's petition for rehearing filed 2/18/03.
Order granting Commission's petition for rehearing en banc and ordering parties to submit supplemental briefs entered 4/8/03.
Appellants' supplemental briefs filed 5/16/03.
Commission's supplemental brief filed 7/2/03.
Appellants' reply brief filed 7/21/03.
Oral argument held 9/16/03.

FTC v. MARK NUTRITIONALS, INC., No. SA02CA1151 EP (W.D. Tex.)

Parties: Mark Nutritionals, Inc.
Harry Siskind
Edward G. D'Alessandro, Jr.

Assigned Attorneys: Thomas B. Carter (SWR)
Deborah W. Dawson
Frederic Dunskey

Alleged Conduct: Deceptive practices in violation of Sections 5 and 12 in connection with the offering for sale and sale of a purported weight loss product.

Status: Complaint for permanent injunction and other equitable relief filed 12/5/02.
Stipulated order for preliminary injunction as to defendant Mark Nutritionals, Inc. entered 12/11/02.
Stipulated order for preliminary injunction as to defendant Edward G. D'Alessandro, Jr. entered 12/23/02.
Stipulated order for preliminary injunction as to defendant Harry Siskind entered 12/27/02.
Stipulated final order for permanent injunction and settlement of claims for monetary relief as to Edward G. D'Alessandro, Jr., including \$140,000 in disgorgement to the Commission and an additional \$40,000 disgorged to Texas, Illinois, and Pennsylvania in separate state court actions, entered 10/27/03.
Stipulated final order for permanent injunction as to Mark Nutritionals, Inc., entered 10/27/03.
Stipulated final order for permanent injunction and settlement of claims for monetary relief as to defendant Harry Siskind, including \$500,000 in disgorgement to the Commission and an additional \$500,000 disgorged to Texas, Illinois, and Pennsylvania in separate state court actions, entered 12/12/03.

FTC v. MAXWELL, No. 03-0128 NM (CWx) (C.D. Cal.)

Parties: Jordan Maxwell, a/k/a Russell Pine, d/b/a BBCOA, a/k/a BBC of America
and Better Books and Cassettes of America
Vic Varjabedian, a/k/a Victor Varjabedian and Varouj Varjabedian

Assigned Attorneys: Katherine Romano Schnack (MWR)
Todd M. Kossow
Kenneth H. Abbe (WR-LA)

Alleged Conduct: Deceptive practices in violation of Section 5 and the Credit Repair
Organizations Act in connection with the sale of purported International
Driving Permits through the internet and offering of credit repair services.

Status: Complaint for injunctive and other equitable relief filed 1/7/03.
TRO with asset freeze and an order to show cause why a preliminary
injunction should not issue entered 1/8/03.
Preliminary injunction entered 1/23/03.

FTC v. MEDICAL-BILLING.COM, INC., No. 3-02CV 0702P (N.D. Tex.)

Parties: Medical-billing.com, Inc., d/b/a Professional Management Consultants
Michele Graham

Assigned Attorneys: Thomas B. Carter (SWR)
Gary Kennedy

Alleged Conduct: Deceptive practices in violation of Section 5 in connection with the
marketing and sale of medical billing services.

Status: Complaint for injunctive and other equitable relief filed 4/5/02.
Stipulated preliminary injunction entered 5/17/02.
Stipulated final judgment and order for permanent injunction and other
equitable relief against Michele Graham entered 11/19/03.

FTC v. MEMBERSHIP SERVICES, INC., No. 01-CV-1868 (S.D. Cal.)

Parties: Membership Services, Inc.
James M. Schwindt

Assigned Attorneys: John Jacobs (WR-LA)
Jerome Steiner (WR-SF)
Elizabeth Blackston (AG-III.)

Alleged Conduct: Deceptive practices in violation of Section 5 and the Telemarketing Sales Rule in connection with the sale of credit card loss protection services and advance fee credit cards.

Status: Complaint filed 10/15/01.
TRO with asset freeze filed 10/17/01; entered 10/18/01.
Preliminary injunction with asset freeze filed and entered 10/31/01.
Settlement and stipulated final order as to defendant Membership Services, Inc. filed 12/16/03.
Settlement and stipulated final order as to defendant James M. Schwindt filed 12/16/03.

FTC v. MOUNTAIN VIEW SYSTEMS, LTD., No. 1:03-CV-00021-RMC (D.D.C.)

Parties: Mountain View Systems, Ltd.
Wheelie International Limited
Aladdin Travel Inc., d/b/a Aladdin Financial Management and University
Systems
S.C. Hyacinth S.R.L.
Jason Matthieu Abraham, a/k/a Yaakov Abraham
Caroline Shallon, a/k/a Caroline Abraham and Chaya Rochel Abraham
Charles Fogel, a/k/a Charlie Lewis

Assigned Attorneys: Gregory A. Ashe (BCP/ENF)
James Reilly Dolan
Victor F. DeFrancis

Alleged Conduct: Deceptive practices in violation of Section 5 in connection with the
marketing and sale of phony international drivers' licenses via unsolicited
commercial emails ("spam") and the internet.

Status: Complaint for injunctive and other equitable relief filed 1/7/03.
Ex parte TRO with asset freeze and order to show cause why preliminary
injunction should not be issued entered 1/9/03.
Preliminary injunction entered 1/24/03.
Amended complaint, naming the actual parties, filed 2/21/03.
Second amended complaint adding an additional Section 5 count filed
6/2/03.
Stipulated final order for permanent injunction and settlement of claims as
to defendant Aladdin Travel, Inc. entered 8/22/03.
Stipulated final order for permanent injunction and settlement of claims as
to remaining defendants entered 12/1/03.

FTC v. NATIONAL AUDIT DEFENSE NETWORK, INC., No. CV-S-02-0131-RCJ-PAL, (D. Nev.)

Parties: National Audit Defense Network, Inc.
Tax Coach, Inc., d/b/a Tax Ready
Oryan Management, Inc.
Robert Bennington
Cort Christie
Al Rodriguez
Weston J. Coolidge

Assigned Attorneys: Janice L. Charter (WR-SF)
Jerome M. Steiner
Blaine T. Welsh (AUSA)

Alleged Conduct: Deceptive practices in violation of Section 5 and the Truth in Lending Act by failing to provide refunds in a timely manner in connection with the sale of income tax-reducing strategies and services.

Status: Complaint filed 1/30/02.
TRO entered 2/1/02.
Stipulated preliminary injunction entered 2/25/02.
Amended complaint adding defendants Weston J. Coolidge and Oryan Management, Inc. filed 12/30/02.

FTC v. NETWORK SOLUTIONS, INC., No. 03-1907 (D.D.C.)

Party: Network Solutions, Inc., d/b/a VeriSign Registrar

Assigned Attorneys: Stephen L. Cohen (BCP/MP)
Eric A. Wenger

Alleged Conduct: Deceptive practices in violation of Section 5 in connection with the marketing of domain (internet address) registrations.

Status: Complaint for permanent injunction and other equitable relief filed 9/11/03.
Stipulated final order for permanent injunction entered 9/12/03.

FTC v. NEXGEN3000.COM, INC., No. CIV-03-120TUCWDB (D. Ariz.)

Parties: NexGen3000.com, Inc.
Globion, Inc.
Infinity2, Inc.
David A. Charette
Jennifer K. Charette
Robert J. Charette, Jr.
Marta N. Charette
Stephen M. Diamond
Christine A. Wasser
Edward G. Hoyt

Assigned Attorneys: Chris M. Couillou (SER)
Robin L. Rock

Alleged Conduct: Deceptive practices in violation of Section 5 in connection with the operation of a pyramid scheme.

Status: Complaint for permanent injunction and other equitable relief filed 2/18/03.
Default entered by the clerk of court 6/17/03.
Clerk's entrance of default as to Globion, Inc. entered 9/26/03.
Commission's motion for default judgment against Globion, Inc. and NexGen 3000.com filed 12/22/03.

FTC v. OSI FINANCIAL SERVICES, INC., No. 02-CV-5078 (N.D. Ill.)

Parties: State of Illinois, co-plaintiff
OSI Financial Services, Inc.
Mark Diamond

Assigned Attorneys: John A. Krebs (BCP/FP)
Allison I. Brown
Katherine R. Schnack (MWR)

Alleged Conduct: Unfair and deceptive practices in violation of Section 5 in connection with mortgage broker's lending practices.

Status: Complaint for permanent injunction and other equitable relief filed 7/18/02.
Amended complaint for permanent injunction and other equitable relief filed 11/1/02.
Consent decree, including a payment of \$270,000 for consumer redress, entered 11/20/03.

FTC v. PACIFIC FIRST BENEFIT, LLC, No. 02C-8678 (N.D. Ill.)

Parties: Pacific First Benefit, LLC
Key Nation Benefit, LLC
First Federal Benefit, LLC
Federal Credit Services, Limited
Alex Orphanou

Assigned Attorneys: Karen D. Dodge (MWR)
John C. Hallerud

Alleged Conduct: Deceptive practices in violation of Section 5 and the Telemarketing Sales Rule in connection with the marketing of credit cards through an outbound telemarketing operation.

Status: Complaint for injunctive and other equitable relief filed 12/2/02.
TRO with asset freeze entered 12/2/02.
Stipulated order for preliminary injunction entered 12/16/02.

FTC v. PEOPLES CREDIT FIRST, LLC, No. 8:03 CV 2353 (M.D. Fla.)

Parties: Peoples Credit First, LLC
Consumer Preferred, LLC, formerly known as Consumer First, LLC
Shaun Olmstead
Julie Connell

Assigned Attorney: Valerie M. Verduce (SER)

Alleged Conduct: Deceptive practices in violation of Section 5 in connection with the sale of an advance-fee credit card.

Status: Complaint for injunctive and other equitable relief filed 11/10/03.
TRO with asset freeze entered 11/10/03.
Stipulated preliminary injunction continuing asset freeze entered 12/23/03.

FTC v. PLATINUM UNIVERSAL, LLC, No. 03-61987-CIV (S.D. Fla.)

Parties: Platinum Universal, LLC, d/b/a Universal Card Services and Universal Mastercard
Pulsar Data Inc., d/b/a Universal Card Services and Universal Mastercard
Jeffrey A. Ullman
Steven M. Ketover

Assigned Attorneys: Ann Weintraub (NER)
Elvia Gastelo

Alleged Conduct: Deceptive practices in violation of Section 5 and the Telemarketing Sales Rule in connection with the sale of advance fee credit cards.

Status: Complaint for injunctive and other relief filed 11/5/03.
Ex parte TRO with asset freeze entered 11/10/03.
Stipulated preliminary injunction entered 11/18/03.

FTC v. PREFERRED ALLIANCE, INC., No. 1:03-CV-0405 (N.D. Ga.)

Parties: Preferred Alliance, Inc., d/b/a Vacantsun Travel Discounts and Genesiscard
Bruno Faillace

Assigned Attorney: Stephen L. Cohen (BCP/MP)

Alleged Conduct: Unfair and deceptive practices in violation of Section 5, the telemarketing Sales Rule and the Truth in Lending Act in connection with the marketing of memberships in a buying service (a program or plan providing discounted priced services).

Status: Complaint for permanent injunction and other equitable relief filed 2/4/03.
Stipulated final order for permanent injunction as to defendant Preferred Alliance, Inc. entered 11/26/03.

FTC v. PREMIER-ESCROW.COM, No. 03-488-A (E.D. Va.)

Party: One or more unknown parties d/b/a or using Premier-Escrow.com

Assigned Attorney: Michael Tankersley (BCP/MP)

Alleged Conduct: Deceptive practices in violation of Section 5 and the Mail or Telephone Order Merchandise Rule in connection with sales from internet auction sites and classified advertisements through a specific online escrow service.

Status: Complaint for injunctive and other equitable relief filed 4/16/03.
Preliminary injunction entered 5/16/03.

FTC v. QT, INC., No. 03C-3578 (N.D. Ill.)

Parties: QT, Inc.
Q-Ray Company
Bio-Metal, Inc.
Que Te Park, a/k/a Andrew Q. Park
Jung Joo Park

Assigned Attorneys: Serena Viswanathan (BCP/AP)
Rielle C. Montague

Alleged Conduct: Deceptive practices in violation of Sections 5 and 12 in connection with the sale of a pain-relief product.

Status: Complaint for injunctive and other equitable relief filed 5/27/03.
Ex parte TRO with asset freeze and other equitable relief entered 5/28/03.
Stipulated order for preliminary injunction with asset transfer restrictions and other equitable relief entered 6/12/03.

FTC v. ROYAL FLUSH SYSTEM NETWORK, INC., No. C02-1085L (W.D. Wash.)

Parties: Royal Flush System Network, Inc.
ECAPS Credit Solutions Network, Inc.
Globalot Services, Inc.
Flash Productions, Inc.
Wilson Okike
Basil Steeves
Natty Osemwengie
Obiageli Okike
Lexandine Property Management, Inc.
Uchenna Okike.

Assigned Attorneys: Thomas P. Rowan (NWR)
Kathryn C. Decker

Alleged Conduct: Violations of Section 5 and the Telemarketing Sales Rule in connection with the operation of a foreign lottery telemarketing scheme.

Status: Complaint for permanent injunction filed 5/15/02.
Stipulated final judgment as to defendant Basil Steeves filed and entered 5/15/02.
Entry of default as to defendants Royal Flush System Network, Inc., ECAPS Credit Solutions Network, Inc., Globalot Services, Inc., and Flash Productions, Inc. entered 1/28/03.
Commission's motion for default judgment as to Royal Flush System Network, Inc., ECAPS Credit Solutions Network, Inc., Globalot Services, Inc., and Flash Productions, Inc. filed 8/11/03.
Commission's motion for summary judgment as to defendant Wilson Okike filed 8/11/03; Defendant Wilson Okike's response filed 9/2/03; Commission's reply filed 9/4/03.

FTC v. SAFETY CELL, INC., No. CV 03-3851 (E.D.N.Y.)

Parties: Safety Cell, Inc.
Jerry Berger

Assigned Attorneys: Ronald L. Waldman (NER)
Donald G. D'Amato

Alleged Conduct: Deceptive practices in violation of Section 5 in connection with the sale of cell phone shield devices.

Status: Complaint for permanent injunction and other equitable relief filed 8/6/03.
Stipulated final order for permanent injunction entered 9/16/03.

FTC v. SAVVIER, INC., No. LACV 03-8159 FMC (JTLX) (C.D. Cal.)

Parties: Savvier, Inc.
Savvier, LP
Greer Childers
Jack Ching Chung Chang
Jeffrey T. Tuller
Keith Greer

Assigned Attorneys: Lemuel Dowdy (BCP/ENF)
Robin Rosen Spector
Victor DeFrancis

Alleged Conduct: Deceptive practices in violation of Section 5 in connection with the sale of an exercise device and system.

Status: Complaint for permanent injunction and other equitable relief filed 11/7/03.
Stipulated temporary order involving Greer Childers, freezing certain assets, entered 11/2/03.
TRO as to corporate and other individual defendants entered 11/6/03.
Preliminary injunction as to all defendants denied 12/19/03.

FTC v. SEASILVER USA, INC., No. CV-S-03-0676-RLH-LRL (S.D. Cal.)

Parties: Seasilver USA, Inc.
Americaloge, Inc.
Bela Berkes
Jason Berkes
Brett Rademcher, d/b/a Netmark International and Netmark Pro
David R. Friedman, D.C.

Assigned Attorneys: Christa Vecchi (BCP/AP)
Matthew Daynard
Karen Muoio

Alleged Conduct: Deceptive practices in violation of Section 5 in connection with the sale of a purported cure-all liquid supplement.

Status: Complaint for permanent injunction and other equitable relief filed 6/12/03.
TRO with asset freeze and other equitable relief entered 6/13/03.
Stipulated preliminary injunction for asset freeze and other equitable relief entered 7/15/03.

FTC v. SILVERMAN, No. 02-CV-8920 (S.D.N.Y.)

Parties: Brian E. Silverman, d/b/a Electro Depot, BES Systems, Dallas Tech
Surplus, and New York Tech Surplus
John Engholm, a/k/a John Patterson

Assigned Attorney: Ann F. Weintraub (NER)

Alleged Conduct: Deceptive practices in violation of Section 5 and The Mail or Telephone Order Merchandise Rule in connection with the offering for sale of laptop computers through online auctions hosted by “auction house” websites.

Status: Complaint for permanent injunction and other equitable relief filed 11/8/02.
Stipulated preliminary injunction entered 2/5/03.
Amended complaint for permanent injunction and other equitable relief, adding defendant John Engholm, filed 10/14/03.
Commission’s request for clerk to enter a default against defendant John Engholm filed 12/31/03.

FTC v. SLIM DOWN SOLUTION, LLC, No. 03-80051 (S.D. Fla.)

Parties: Slim Down Solution, LLC
Slim Down Solution, Inc.
S.S.T. Management, Inc.
The Kara Group, LLC
Ronald Alarcon
Kathleen Alarcon
Maderia Management, Inc.
Polyglucosamine, Ltd.
Steven Pierce

Assigned Attorneys: Serena Viswanathan(BCP/AP)
Karen Muoio
Edward Glennon

Alleged Conduct: Unfair and deceptive practices in violation of Sections 5 and 12 in connection with the sale of a purported weight-loss product.

Status: Complaint for permanent injunction and other equitable relief filed 1/21/03.
Stipulated order for preliminary injunction entered 2/21/03.
Motion for partial judgment on the pleadings against defendants Maderia Management, Polyglucosamine, Ltd., and Steven Pierce filed 3/26/03.
Response to motion for partial judgment filed 4/9/03.
Order denying Commission's motion for partial judgment entered 7/7/03.
Trial set for 4/19/04.

FTC v. STETZEL, No. CV-S-03-0396-KJD-LRL (D. Nev.)

Party: Eric Stetzel

Assigned Attorneys: Jerome M. Steiner, Jr. (WR-SF)
Janice L. Charter
David M. Newman

Alleged Conduct: Deceptive practices in violation of Section 5 and the Mail or Telephone Order Merchandise Rule in connection with sales from internet auction web sites.

Status: Complaint for permanent injunction and other equitable relief filed 4/15/03.
TRO with asset freeze and other equitable relief entered 4/17/03.
Preliminary injunction with asset freeze entered 4/23/03.
Default by the Court clerk entered 5/14/03.
Application for entry of order for judgment by default and permanent injunction filed 7/7/03; order entered 10/8/03.

FTC v. STEWART FINANCE COMPANY HOLDINGS, INC., No. 1:03 CV 2648 JTC (N.D. Ga.)

Parties: Stewart Finance Company Holdings, Inc.
 Stewart Finance Company, Inc.
 Stewart National Finance Company, Inc.
 Stewart Finance Company of Louisiana, Inc.
 Stewart Finance Company of Missouri, Inc.
 Stewart Finance Company of Illinois, Inc.
 Stewart Finance Company of Tennessee, Inc.
 D&E Acquisitions, Inc.
 Preferred Choice Auto Club, Inc.
 Stewart Insurance, Ltd.
 J&J Insurance Ltd.
 John Ben Stewart, Jr.

Assigned Attorneys: Monica E. Vaca (BCP/FP)
 Sandra M. Wilmore
 John A. Singer (OGC)

Alleged Conduct: Deceptive practices in violation of Section 5, Regulation Z, the Credit Practices Rule, and the FCRA in connection with subprime lending and the sale of ancillary products.

Status: Complaint for injunctive and other relief filed 9/4/03.
 TRO entered 9/12/03.
 Joint motion for continuance filed 9/18/03; granted 9/19/03.
 Consent orders for preliminary injunction over debtor and non-debtor defendants entered 10/8/03.
 Commission's motion to dismiss counterclaim, or in the alternative for summary judgment filed 12/31/03.

FTC v. STF GROUP INC., No. 03-977 (N.D. Ill.)

Parties: STF Group, Inc., a/k/a STF Group, STF Group (Burlington), STF Group (Newmarket), Start to Finish Consulting Group, Inc., Start to Finish Consulting Group, Start to Finish Marketing, Inc., 1363883 Ontario Limited d/b/a STF Consolidated, Q Prompt, Inc., 487948 Ontario Limited
1363942 Ontario Limited, d/b/a National Credit Card Security Centre, Korn Land Corporation, d/b/a National Credit Card Security
Med Plan, Inc., d/b/a First Med, Inc., Medical Discount, Inc., Medplan Burlington, Medplan Mississauga, Medplan Newmarket, Medplan North York, Medplan Scollard, Chembe Management, Inc. d/b/a Medplan Scarborough, Great Sailing Management, Inc., Thunderchild Consulting, Inc., Smakk Consulting, Inc., GTCQ, Inc., Global Discount Healthcare Benefits d/b/a Global Discount Healthcare Benefits, Inc. and First Med, Inc.
1108114 Ontario Inc.
1349927 Ontario Inc.
Alex Korn
Allan Shiell
Sean Zaichick
Julian Shiell
Chris Quilliam
Nicholas Bridges

Assigned Attorneys: David A. O'Toole (MWR)
Guy G. Ward

Alleged Conduct: Deceptive practices in violation of Section 5 and the Telemarketing Sales Rule in connection with telemarketing credit card protection services.

Status: Complaint for injunctive and other equitable relief filed 2/10/03.
TRO with asset freeze entered 2/12/03.
TRO extended by agreement 2/25/03; 3/14/03 and 4/15/03.
Stipulated preliminary injunction entered 5/15/03.

FTC v. STREAMLINE INTERNATIONAL, INC., No. 01-6885-Civ-Ferguson (S.D. Fla.)

Parties: Streamline International, Inc.
J.R. Jackson
Robert “Bob” Waitkus

Assigned Attorneys: David Torok (BCP/MP)
Michelle Roden

Alleged Conduct: Deceptive practices in violation of Section 5 in connection with the marketing and sale of health-care products through a pyramid scheme.

Status: Complaint filed 5/23/01.
Motion for preliminary injunction filed 5/30/01.
Stipulated final judgment and order for permanent injunction as to defendant Robert Waitkus entered 2/7/02.

FTC v. SUN SPECTRUM COMMUNICATIONS ORGANIZATION, INC., No. 03-81105-CIV
(S.D. Fla.)

Parties: Sun Spectrum Communications Organization, Inc.
North American Communications Organization, Inc.
WWCI2002, Inc.
9106-7843 Quebec, Inc.
William H. Martell
Tracey A. Bascove
Mitchel Kastner
Ronald Corber
Jason Kastner

Assigned Attorneys: Robert G. Schoshinski (BCP/MP)
Michael Mora

Alleged Conduct: Deceptive practices in violation of Section 5, the Telemarketing Sales Rule, and the Gramm-Leach-Bliley Act in connection with the sale of advance-fee credit cards.

Status: Complaint for permanent injunction and other equitable relief filed 12/2/03.
Ex parte TRO entered 12/3/03.

FTC v. TECNOZONE INTERNATIONAL, LLC, No. 03CV 9000 (S.D.N.Y.)

Parties: Tecnozone International, LLC
Tecnozone America, LLC
Marvin Jemal
Stephen Jemal
Jacob Dresdner

Assigned Attorneys: Ronald L. Waldman (NER)
Donald G. D'Amato
Michele Stolls

Alleged Conduct: Deceptive practices in violation of Section 5 in connection with the sale of devices that purported to block radiation from cell phones or video display units (televisions or computer monitors).

Status: Complaint for permanent injunction and other equitable relief filed 11/14/03.
Stipulated final order for permanent injunction entered 11/20/03.

FTC v. TRAVEL EXPRESS INTERNATIONAL, INC., No. 1: 01-CV-0906-GET (N.D. Ga.)

Parties: Travel Express International, Inc.
Robert E. Lewis, II
Alan D. Humphries

Assigned Attorneys: Barbara E. Bolton (SER)
Harold Kirtz

Alleged Conduct: Deceptive practices in violation of Section 5 and the Telemarketing Sales Rule in connection with the marketing of vacation travel packages.

Status: Complaint filed 4/9/01.
Complaint amended 10/29/01.
Commission's and defendants' motions for summary judgment filed 6/3/02.
Responses filed 7/5/02.
Reply briefs filed 7/22/02.
Order denying Commission's motion for summary judgment and granting defendants' motion for summary judgment entered 11/15/02.
Defendants' motion for award of attorney's fees under the Equal Access to Justice Act, filed 2/13/03.
Commission's opposition to motion for attorney's fees filed 2/28/03.
Defendants' reply brief filed 3/17/03.
Hearing on motion for award of attorney's fees held 6/6/03.
Order granting motion for attorney's fees entered 6/26/03.
Commission's motion for reconsideration of order awarding attorney's fees filed 7/11/03.
Defendants' response in opposition to motion for reconsideration filed 7/25/03.
Order denying Commission's motion for reconsideration entered 10/7/03.

FTC v. TREK ALLIANCE, INC., Nos. 03-56271, 03-56320(9th Cir.); No. 02-9270 (C.D. Cal.)

Parties: Trek Alliance, Inc.
Trek Education Corporation, a/k/a World Wide Video Entertainment, Inc.
Vonflagg Corporation
Jeffrey Kale Flagg, a/k/a Kale Flagg
Richard Von Alvensleben, a/k/a Rich Von
Tiffani Von Alvensleben, a/k/a Tiffani Von
Harry M. Flagg

Assigned Attorneys: John D. Jacobs (WR-LA)
Jennifer M. Brennan
Marilyn E. Kerst (OGC)

Alleged Conduct: Deceptive practices in violation of Section 5 in connection with the sale of
the right to participate in a network marketing program.

Status: Complaint for injunctive and other equitable relief filed 12/6/02.
TRO with asset freeze and temporary receiver entered under seal 12/9/02.
Ex parte application by individual defendants for discharge of the
temporary receiver and to dissolve the TRO filed 12/20/02; denied
12/23/02.
Order extending TRO entered 12/23/02 and 3/20/03.
Preliminary injunction hearing held 6/10/03.
Order granting preliminary injunction and appointing permanent receiver
entered 6/24/03.
Defendants' notice of appeal of the preliminary injunction filed 7/23/03.
Defendants' notice of appeal of an order denying a motion to modify the
preliminary injunction filed 7/31/03.
Defendants' opening brief on appeal filed 8/28/03; Commission's brief
filed 10/15/03.
Memorandum disposition affirming decisions below entered 11/12/03.

FTC v. TRUDEAU, Nos. 03 C 904; 98 C 0168 (N.D.Ill.)

Parties: Kevin Trudeau
Shop America (USA), LLC
Robert Barefoot
Deonna Enterprises, Inc.
Karbo, Inc.
Karbo Enterprises, Inc.
Shop America Marketing Group
TruStar Global Media
K.T. Corp.
TruCom, LLC

Assigned Attorneys: Laura M. Sullivan (BCP/AP)
Daniel Kaufman

Alleged Conduct: Deceptive practices in violation of Sections 5 and 12 in connection with the sale of a dietary supplement and violations of a 1998 stipulated order for permanent injunction and final judgment against Kevin Trudeau.

Status: Complaint for permanent injunction and other equitable relief filed 6/9/03.
Contempt motion against Kevin Trudeau (98 C 168) filed 6/9/03; response filed 7/9/03; reply filed 7/17/03.
Stipulated TRO as to Shop America (USA), LLC entered 6/12/03.
Stipulated TRO as to Kevin Trudeau (98 C 168) entered 6/16/03.
Stipulated preliminary injunction as to defendants Robert Barefoot, Deonna Enterprises, Inc., and Karbo, Inc. entered 6/24/03.
Stipulated preliminary injunction as to defendants Kevin Trudeau and Shop America (USA), LLC entered 7/1/03.
Stipulated preliminary injunction as to defendant Kevin Trudeau in the contempt matter (98 C 168) entered 7/1/03.
Amended complaint for permanent injunction and other equitable relief, adding liability defendants Karbo Enterprises, Inc., Shop America Marketing Group, TruStar Global Media and relief defendants K.T. Corp. and TruCom, LLC, filed 11/16/03; entered 11/30/03.
Trial date set for 2/23/04.

FTC v. UNIVERSAL NUTRITION CORPORATION, No. 1-03-CV-3822 (N.D. Ga.)

Parties: Universal Nutrition Corporation
MTM Marketing and Consulting, Inc.
Robert J. Michnal

Assigned Attorneys: Matthew Daynard (BCP/AP)
Sydney Knight

Alleged Conduct: Deceptive practices in violation of Section 5 in connection with the sale of a purported weight loss product.

Status: Complaint for permanent injunction and other equitable relief filed 12/9/03.
Stipulated final judgment and order for permanent injunction and settlement of claims for monetary relief, including \$1 million in consumer redress, entered 12/12/03.

FTC v. VENDCO, LLC, No. CV-S-02-0816-RLH-PAL (D. Nev.)

Parties: Vendco, LLC
Curt Briguglio, a/k/a Curt Briggs
Johan Briguglio, a/k/a Jo Briggs

Assigned Attorneys: Joseph A. Lipinsky (NWR)
Thomas P. Rowan
Blaine T. Welsh (AUSA)

Alleged Conduct: Deceptive practices in violation of Section 5 and the Franchise Rule in connection with the promotion and sale of vending machine business ventures.

Status: Complaint filed 6/12/02.
Stipulated preliminary injunction entered 10/3/02.
Stipulated permanent injunction and final judgment entered 6/24/03.

FTC v. VERITY INTERNATIONAL, LTD., No. 01-6130 (2d Cir.); No. 00 CIV 7422
(S.D.N.Y.)

Parties: Verity International, Ltd.
Automatic Communications Limited
Integretel, Inc.
eBillit, Inc.
Robert Green
Marilyn Shein

Assigned Attorneys: Lawrence Hodapp (BCP/MP)
David M. Torok
Marilyn E. Kerst (OGC)

Alleged Conduct: Deceptive and unfair practices in violation of Section 5 in connection with the billing of international calls over the Internet.

Status: Complaint filed and ex parte TRO entered 10/2/00.
Opinion granting preliminary relief entered 12/14/00.
Preliminary injunction entered 1/4/01.
Application for an order to show cause why defendants R. Green and M. Shein should not be held in civil contempt filed 1/31/01.
Second amended complaint adding defendant Automatic Comm. Ltd. filed 2/27/01.
Opinion holding defendants R. Green and M. Shein in civil contempt and ordering fines, arrest, and civil commitment, 5/1/01.
Cross-motion to partially vacate or modify preliminary injunction order filed 3/27/01; denied 5/14/01.
Motion to modify preliminary injunction, including its extension to ACL, filed 4/3/01; granted in part 5/14/01.
Notice of appeal of order denying motion to vacate or modify preliminary injunction by defendants Verity International, Robert Green and Marilyn Shein filed 6/8/01.
Order in district court inviting Federal Communication Commission to file amicus brief on certain jurisdictional issues and directing Commission to provide relevant documents entered 1/18/02.
FCC amicus brief on jurisdictional issues filed 2/27/02.
Stipulated final judgment and order for permanent injunction as to defendants Integretel, Inc. and eBillit, Inc. signed 11/21/02; entered 12/2/02.

FTC v. VINYARD ENTERPRISES, No. 03-23291-CIV-ALTONAGA/BANDSTRA (S.D. Fla.)

Parties: Vinyard Enterprises, d/b/a Comfort Castle Enterprises
Sunshine Advertising & Marketing, Inc., d/b/a Dynamic Data Services
Ray A. Thompson
Judith Livingston, d/b/a Direct Business Services and Dynamic Data
Jason Lunan, d/b/a Dynamic Data Express and Comfort Castle Associates

Assigned Attorney: Colleen B. Robbins (BCP/MP)

Alleged Conduct: Deceptive practices in violation of Section 5 in connection with the sale of
purported work-at-home opportunities.

Status: Complaint for permanent injunction and other equitable relief filed
12/10/03.
Ex parte TRO with asset freeze entered 12/11/03.
Stipulated preliminary injunction with asset freeze entered 12/22/03.

FTC v. WADE COOK FINANCIAL CORP., No. C00-1698Z (W.D. Wash.)

Parties: Wade Cook Financial Corporation
Stock Market Institute of Learning, Inc.
Wade Cook, defendant in contempt action only

Assigned Attorneys: Eleanor Durham (NWR)
Randy Brook
Patricia Leigh

Alleged Conduct: Civil contempt action for repeated violations of consent decree.

Status: Complaint for permanent injunction and other equitable relief filed
10/5/00.
Consent decree entered 10/13/00.
Motion asking court to hold in contempt Wade Cook Financial
Corporation and Stock Market Institute of Learning, Inc. filed
2/20/02.
Stipulated continuance and preliminary order to comply with one part of
requested relief entered 3/6/02.
Stipulated continuance entered 9/6/02.
Stipulated order for redress and arbitration of disputed claims entered
11/8/02.
Commission's motion asking the Court to reduce the judgment, modify
the claims of evaluation process and order Cook to disclose his
personal assets filed 3/5/03; granted 6/4/03.
Partial judgment for \$1,494,535.17 entered 7/7/03.

FTC v. WEST COAST ADVERTISING & MARKETING, INC., No. 03-CV-0980 IEG (POR)
(S.D. Cal.)

Parties: West Coast Advertising & Marketing, Inc.
Mike S. Thomas
Mark A. Christiansen

Assigned Attorneys: Eleanor Durham (NWR)
Thomas P. Rowan

Alleged Conduct: Deceptive practices in violation of Section 5 in connection with the solicitation of donations for non-profit entities.

Status: Complaint filed 5/14/03.
Stipulated preliminary injunction as to defendants Mike S. Thomas and Mark A. Christiansen entered 6/4/03.
Preliminary injunction as to West Coast Advertising & Marketing, Inc. entered 6/30/03.

FTC v. WESTBY, No. 03C-2540 (N.D. Ill.)

Party: Brian D. Westby
Martijn Bevelander
Maps Holding B.V.
PB Planning & Services B.V.

Assigned Attorney: Steven M. Wernikoff (MWR)

Alleged Conduct: Deceptive practices in violation of Section 5 in connection with the use of spam to direct traffic to adult web sites.

Status: Complaint for injunctive and other relief filed 4/15/03.
Stipulated order of preliminary injunction entered 4/22/03.
Amended complaint adding defendants Martijn Bevelander, Maps Holding

Holding B.V., and PB Planning & Services B.V. filed 9/16/03.

FTC v. WORLD MEDIA BROKERS INC., No. 02C-6985 (N.D. Ill.)

Parties: World Media Brokers Inc., a/k/a 913062 Ontario Inc.
1165107 Ontario Inc., also d/b/a Canadian Catalogue, Canadian Catalogue
Services, CCS, and Interwin Marketing
Faby Games Inc., a/k/a 1106759 Ontario Inc., also d/b/a Canadian
Catalogue Services, and CCS
624654 Ontario Limited, also d/b/a Express Sales, Express Marketing
Services, EMS, and First Telegroup Marketing
637736 Ontario Limited, also d/b/a Express Marketing Services and EMS
537721 Ontario Inc., also d/b/a Canadian Express Club
Express Marketing Services LTD., also d/b/a EMS
Cash & Prizes, Inc.
Intermarketing Services, Inc.
George Yemec
Anita Rapp
Steven Rapp
Paul Teskey
Jean-Paul Teskey
Dean Temple

Assigned Attorney: David O'Toole (MWR)

Alleged Conduct: Deceptive practices in violation of Section 5 and the Telemarketing Sales
Rule in connection with the telemarketing of foreign lottery tickets and
sweepstakes.

Status: Complaint filed 9/30/02.
TRO entered 10/1/02.
Stipulated preliminary injunctions entered 11/26/02.
Commission's motion to strike defendants' jury demand and affirmative
defenses filed 4/7/03; granted 6/26/03.
Commission's motion for partial summary judgment filed 8/19/03.
Stipulation of dismissal concerning defendant Paul Teskey entered
11/12/03.
Stipulation of dismissal concerning defendant Jean-Paul Teskey entered
11/12/03.

CIVIL PENALTY AND ENFORCEMENT CASES³

(A) Consumer Protection

UNITED STATES v. ALPINE INDUSTRIES, INC., Nos. 01-5759, 00-5553 (6th Cir.); No. 2:97-CV-509 (E.D. Tenn.)

Parties: Alpine Industries, Inc.
William J. Converse

Assigned Attorneys: Elena I. Paoli (BCP/ENF)
Michele Arington (OGC)
Elizabeth Stein (DOJ/CIV)
Peter R. Maier

Nature of Action: Action for civil penalties, injunctive and other relief for violations of prior Commission consent order.

Status: Complaint filed 12/30/97.
United States motion for partial summary judgment filed 6/30/99.
Trial began 9/29/99.
Jury ruling in favor of United States entered 11/1/99.
Interim injunction incorporating jury verdict entered 1/12/00.
Defendants' motion to dissolve interim injunction filed 2/11/00;
opposition filed 2/28/00; motion denied by order entered 4/10/00.
Notice of appeal from 4/10/00 injunction filed 4/28/00.
Motion for an order to show cause why defendants and non-parties who aided them in violating the injunction should not be held in civil contempt filed 4/11/00; opposition filed by defendants, 5/1/00; opposition filed by non-parties, 6/9/00; United States reply filed 6/19/00; settlement resolving contempt issues filed and entered 9/12/00.
Defendants' motion in district court for stay of 4/10/00 injunction pending appeal filed 5/3/00; opposition filed 5/22/00; motion denied by order entered 6/7/00.
Defendants' motion in court of appeals for stay pending appeal filed 7/21/00; opposition filed 7/28/00; defendants' reply filed 8/8/00; motion denied without prejudice 8/14/00.
Defendants' brief (on appeal from preliminary injunction) filed 10/30/00.
United States' brief filed 12/6/00.

³ Includes all suits in which civil penalties are sought; consumer redress, injunctions, and ancillary equitable relief may also be sought.

Defendants' reply filed 12/20/00.
Penalties portion of civil penalties trial held 1/16-1/23/01.
Final judgment with \$1.49 million in civil penalties entered 4/5/01.
Defendants' notice of appeal (No. 01-5759) from final judgment filed 6/15/01.
Motion to dismiss defendants' appeal of preliminary injunction granted 6/18/01.
Appellants' proof brief (on appeal from final judgment) filed 9/4/01.
United States' proof brief filed 10/18/01; final brief filed 11/28/01.
Appellants' proof reply brief filed 11/1/01; final briefs filed 12/4/01.
Oral argument held on 12/4/02.
Per curiam opinion affirming the district court's decision for final judgment against defendants entered 9/26/03.

UNITED STATES v. AMERICAN VENDING VENTURES GROUP, INC., No. 02-CV-21766
(S.D. Fla.)

Parties: American Vending Ventures Group, Inc.
Jamie Hagen
Leland Balber
Peter Abrams

Assigned Attorneys: Colleen Robbins (BCP/MP)
Jeffrey Steger (DOJ/CIV)

Nature of Action: Action for civil penalties, injunctive, and other relief for violations of the Franchise Rule in connection with personal care product vending machine business ventures.

Status: Complaint for civil penalties, consumer redress, permanent injunction, and other equitable relief filed 6/12/02.
Motion by the United States for summary judgment as to liability filed 2/28/03.
Response by Peter Abrams to motion for summary judgment as to liability filed 3/14/03.
Reply by the United States in support of motion for summary judgment filed 3/21/03.
Summary judgment against Leland Balber and American Vending Ventures Group, Inc. entered 4/2/03.
Bench trial as to defendant Abrams held 4/15/03-4/16/03.
Stipulated judgment and order for permanent injunction against Jamie Hagan entered 11/18/03.

UNITED STATES v. CENTURY PLACEMENTS, INC., No. 6:02-CV-680-ORL-28KRS (M.D. Fla.)

Parties: Century Placements, Inc.
Martel, Inc.
Mark Miller

Assigned Attorneys: Daniel Salsburg (BCP/MP)
Douglas Stearn (DOJ/CIV)

Nature of Action: Action for civil penalties, injunctive, and other relief for violations of the Franchise Rule for in connection with snack and candy vending machine business ventures.

Status: Complaint for civil penalties, consumer redress, permanent injunction, and other equitable relief filed 6/13/02.
United States' motion for summary judgment as to liability filed 7/1/03.
Stipulated judgment and order for permanent injunction, including consumer redress in the amount of \$138,210, entered 12/31/03.

UNITED STATES v. DEER CREEK PRODUCTS, INC., No. 03-61592-Civ-Seitz/Bandstra (S.D. Fla.)

Parties: Deer Creek Products, Inc.
Golden Age Products, Inc., a/k/a Lakeside Products
Michael DiStephano

Assigned Attorneys: Joel N. Brewer (BCP/ENF)
Marlene Rodriguez (AUSA)

Nature of Action: Action for civil penalties, injunctive and other relief for violations of the Mail or Telephone Order Merchandise Rule in connection with the sale of consumer goods.

Status: Complaint for civil penalties, injunctive and other relief filed 8/19/03.
Consent decree order for civil penalties, injunctive and other relief entered 9/4/03.

UNITED STATES v. FAIRBANKS CAPITAL CORP., No. 03-12219 (D. Mass.)

Parties: Fairbanks Capital Corp.
Fairbanks Capital Holding Corporation
Thomas D. Basmajian
Department of Housing and Urban Development (co-plaintiff)

Assigned Attorneys: Lucy E. Morris (BCP/FP)
Eric Imperial
Allison I. Brown
Anita Johnson (AUSA)

Nature of Action: Unfair and deceptive practices in violation of Section 5, the Fair Debt Collection Practices Act, the Fair Credit Reporting Act, and the Real Estate Settlement Procedures Act in connection with the provision of financial services primarily in the “subprime” market.

Status: Complaint for permanent injunction and other equitable relief and monetary civil penalties filed 11/12/03.
Stipulated final judgment and order as to Fairbanks Capital Corp. and Fairbanks Capital Holding Corp., including \$40 million in consumer redress, entered 11/25/03.
Stipulated final judgment and order as to Thomas D. Basmajian, including \$400,000 in consumer redress, entered 11/25/03.

UNITED STATES v. LEVEY, No. CV-03-4670 GAF (AJWx) (C.D. Cal.)

Parties: Michael S. Levey
Gary Ballen
Bentley Myers International Co.
Publisher’s Data Services, Inc.
Nutritional Life, Inc.

Assigned Attorneys: Robin M. Richardson (BCP/ENF)
Elena Paoli

Alleged Conduct: Deceptive practices in violation of Section 5 and a prior FTC Order in connection with the sale of dietary supplements and other health-related products.

Status: Complaint for civil penalties, injunctive and other relief filed 6/30/03.
Suggestion of death upon the record of Michael S. Levey filed 8/7/03.
Stipulation and order extending time to answer complaint entered 9/4/03.

UNITED STATES v. MANTRA FILMS, INC., No. CV03-9184 RSWL (MANx) (C.D. Cal.)

Parties: Mantra Films, Inc.
Joseph R. Francis

Assigned Attorneys: Edwin Rodriguez (BCP/ENF)
Amy Lloyd
Mark L. Josephs (DOJ/CIV)

Alleged Conduct: Unfair and deceptive practices in violation of Section 5, the Unordered Merchandise Statute, and prior Commission determinations in connection with the sale of tapes and DVDs.

Status: Complaint for civil penalties, permanent injunction, and other relief filed 12/16/03.

UNITED STATES v. PERFUMES UNLIMITED, INC., No. 02-21767 (S.D. Fla.)

Parties: Perfumes Unlimited, Inc.
Ignacious Goldenberger, a/k/a Goldemberg a/k/a Ignacio Goldenberg
Lon Finkelstein
Robert Duke

Assigned Attorneys: Colleen Robbins (BCP/MP)
Richard Goldberg (DOJ/CIV)

Nature of Action: Action for civil penalties, injunctive, and other relief for violations of the Franchise Rule and Section 5 in connection with perfume and cologne display rack business ventures.

Status: Complaint for civil penalties, consumer redress, permanent injunction, and other equitable relief filed 6/12/02.
Motion by the United States for leave to amend complaint filed 11/1/02.
Order to show cause why the motion for leave to join additional defendants Lon Finkelstein and Robert Duke should not be granted by default entered 12/16/02.
Amended complaint, adding defendants Lon Finkelstein and Robert Duke, filed 1/17/03.
United States' motion for summary judgment as to defendant Robert Duke's liability filed 9/15/03.
Stipulated judgment against defendant Lon Finkelstein entered 9/17/03.
Order staying case as to defendant Ignacio Goldenberg entered 10/19/03.
Jury trial date reset for 3/22/04.

UNITED STATES v. PLETSCHKE, No. 1:03 CV 214-T (W.D.N.C.)

Party: Kris A. Pletschke, d/b/a Raw Health

Assigned Attorneys: Adam Fine (BCP/ENF)
Elizabeth Stein (DOJ/CIV)

Nature of Action: Action for civil penalties, injunctive and other relief for violations of a previous Commission order in connection with the sale of foods and dietary supplements.

Status: Complaint for civil penalties, injunctive and other relief filed 8/26/03.
Defendants' motion to dismiss filed 10/28/03.
United States' response in opposition to motion to dismiss filed 11/14/03.

UNITED STATES v. PROCHNOW, No. 1 02-CV-917 (N.D. Ga.)

Parties: Richard L. Prochnow
Dennis H. Goughion
Ronald Altbach
Media Outsourcing, Inc.
Cross Media Marketing Corporation

Assigned Attorneys: James Prunty (BCP/ENF)
Louise R. Jung
Robert M. Frisby
Elizabeth Stein (DOJ/CIV)

Nature of Action: Action for civil penalties, injunctive and other relief for violations of Section 5, the Telemarketing Sales Rule, and a prior FTC cease and desist order.

Status: Complaint filed 4/9/02.
Stipulated final order for permanent injunction and civil penalties as to defendants Media Outsourcing, Inc., Cross Media Marketing Corp., and Dennis H. Gougion, including payment of \$350,000 in civil penalties, entered 6/9/03.
Complaint as to defendant Ronald Altbach dismissed by stipulation of all parties 6/30/03.

(B) Competition
(None pending)

SUBPOENA AND CID ENFORCEMENT PROCEEDINGS⁴

FTC v. FARRELL, No. 03-MC-95 (M.D. Fla.)

Party: Scott Farrell, d/b/a Secret Shed

Assigned Attorney: Robert L. Sussman (OGC)

Nature of Action: Action to enforce civil investigative demand.

Status: Petition filed 9/10/03.
Order to enforce the CID entered 10/24/03.

FTC v. LOREE & LORD, No. 02-6212 (2d Cir.); No. M18-304 (S.D.N.Y.)

Parties: Loree & Lord
Paige Loree Hensley

Assigned Attorney: Lawrence DeMile-Wagman (OGC)

Nature of Action: Action to enforce a civil investigative demand.

Status: Petition filed 7/12/02.
Order to show cause entered 7/12/02.
Hearing to show cause held 7/29/02.
Order requiring compliance with the CID entered 7/29/02.
Motion to vacate order filed 8/6/02; denied 8/8/02.
Notice of appeal filed 8/15/02.
Commission's motion for an order holding respondents in civil contempt filed 10/2/02.
Second order by the district court requiring respondents to comply with CID entered 10/25/02.
Appellant's letter indicating that she would not file a brief because she considered the appeal moot filed 12/18/03.

⁴ Includes suits to enforce compliance with waiting periods prescribed by Section 7A of the Clayton Act, 15 U.S.C. § 18a.

SUITS TO ENJOIN FTC ACTION AND OTHER DEFENSIVE LITIGATION

AMERICAN BAR ASSOCIATION v. FTC, No. 02-1883 (RBW) (D.D.C.)

Party: American Bar Association

Assigned Attorneys: Michael D. Bergman (OGC)
Brian Sonfield (AUSA)

Nature of Acton: Action for declaratory relief challenging the Commission's refusal to grant an exception to certain members of the Bar from the privacy provisions set forth in Title V of the Gramm-Leach-Bliley Act.

Status: Complaint filed 9/25/02.
Commission's motion to dismiss filed 12/9/02.
Plaintiff's opposition to motion to dismiss filed 1/10/03.
Amicus brief of state bar associations filed 1/28/03.
Amicus brief of Conference of Chief Justices (CCJ) filed 2/21/03.
Commission's reply in support of motion to dismiss filed 2/25/03.
Commission's response to CCJ amicus brief filed 3/4/03.
Hearing on motion to dismiss held 6/2/03.
Memorandum opinion and order denying Commission's motion to dismiss filed 8/11/03.
Plaintiff's motion for summary judgment filed 9/26/03.
Commission's cross-motion for summary judgment filed 10/24/03.
Plaintiff's opposition/reply brief in support of motion for summary judgment filed 11/18/03.
Commission's reply brief in support of cross-motion for summary judgment filed 12/9/03.

BAKER v. FAIR ISAAC & COMPANY, et al., No. 03-CV-525 PCT-RCB (D. Ariz.)

Parties: Christine Baker (plaintiff) John Does 1-20 (defendants)
Fair Isaac & Company, Inc. (defendant) Barry Paperno (defendant)
Thomas G. Grudnowski (defendant) James McAfee (defendant)
Thomas J. Quinn (defendant) Tom Chapman (defendant)
Trans Union LLC (defendant) Harry Gambill (defendant)
Credit Data Southwest, Inc. (defendant) Craig Smith (defendant)
Consumerinfo.com (defendant) Compass Bank (defendant)
Pacific Bell (defendant) Verizon Wireless (defendant)
T-Mobile (defendant) Capital One (defendant)
Household (defendant) Providian (defendant)
American Credit Agencies, Inc. (defendant) Tom Wells (defendant)
Professional Recovery Systems (defendant)
Robert Gray, a/k/a Bobby Grantham (defendant)
Federal Trade Commission (defendant)
Federal Communications Commission (defendant)
Experian Information Solutions, Inc. (defendant)
Equifax Credit Information Services (defendant)
Federal Reserve Bank of Richmond (defendant)
Nelnet Loan Services, Inc., d/b/a Nelnet Corporation (defendant)

Assigned Attorneys: Marilyn Kerst (OGC)
Suzanne Chenoweth (AUSA)

Nature of Action: Action against credit reporting agencies and other parties, seeking (as to the FTC) actual, statutory, and punitive damages, costs and attorneys' fees, based on the FTC's alleged failure to enforce the Fair Credit Reporting Act and Fair Debt Collection Practices Act and for an injunction directing the FTC to enforce those acts in specified ways.

Status: Complaint filed 3/19/03.
Summons issued 9/11/03.
Motion to dismiss filed 12/22/03.

THE LAKIN LAW FIRM PC v. FTC, No. 03-1689 (7th Cir.); No. 02-1121-DRH (S.D. Ill.)

Party: The Lakin Law Firm PC

Assigned Attorneys: Marilyn Kerst (OGC)
Alysa Stiefel

Nature of action: Action under Freedom of Information Act and Administrative Procedure Act.

Status: Complaint filed 11/02/02.
Commission's motion to dismiss filed 12/05/02.
Plaintiff's opposition to motion to dismiss filed 12/12/02.
Commission's reply in support of motion to dismiss filed 12/20/02.
Commission's motion for a protective order filed 12/31/02.
Plaintiff's response filed 1/9/03.
Order granting motion to dismiss and judgment in favor of the
Commission, dismissing the case with prejudice, entered 3/4/03.
Plaintiff's notice of appeal filed 3/11/03.
Appellant's brief filed 4/28/03.
Commission's brief filed 5/28/03.
Oral argument held 9/22/03.
Opinion of the court affirming the judgment below entered 12/16/03.

MAINSTREAM MARKETING SERVICES, INC., et al. v. FTC, No. 03-1429 (10th Cir.); No. 03-N-184 (D. Colo.)

Parties: Mainstream Marketing Services, Inc. (plaintiff)
TMG Marketing, Inc. (plaintiff)
American Teleservices Association (plaintiff)
Timothy Muris (defendant)
Sheila Anthony (defendant)
Mozelle Thompson (defendant)
Orson Swindle (defendant)
Thomas Leary (defendant)
J. Howard Beals (defendant)

Assigned Attorney: Lawrence DeMille-Wagman (OGC)

Nature of Action: Suit challenging the amendments to the Telemarketing Sales Rule.

Status: Complaint filed 1/29/03.
Plaintiff's motion for summary judgment filed 5/2/03.
Commission's opposition to plaintiff's motion for summary judgment and cross-motion for summary judgment filed 5/30/03.
Plaintiff's reply in support of their motion for summary judgment and opposition to Commission's cross-motion for summary judgment filed 6/18/03.
Commission's reply in support of their cross-motion for summary judgment filed 7/2/03.
Plaintiffs' and Commission's supplementary motions for summary judgment filed 8/21/03.
Order holding the do-not-call rule unconstitutional; upholding prohibition on abandoned calls entered 9/25/03.
Commission's notice of appeal filed 9/26/03.
Commission's emergency motion for stay pending appeal filed 9/26/03; plaintiffs' opposition filed 9/29/03; district court order denying stay entered 9/29/03.
Commission's motion before the court of appeals for a stay pending of the district court's order filed 9/30/03; plaintiff's appeal opposition filed 10/1/03; granted 10/7/03.
Brief amicus curiae by 45 states, D.C., and Puerto Rico in support of the Commission's motion for a stay filed 9/30/03.
Plaintiffs' opposition to stay filed 10/1/03.
Commission's reply in support of a stay filed 10/1/03.
Orders requiring the parties to submit position regarding consolidation of case with *U.S. Security* appeal and FCC petition entered 10/1/03.
Orders from the Court of Appeals, consolidating this case with *US Security v. FTC* and with two FCC cases (*Mainstream Marketing v. FCC*, *Competitive Telecommunications Ass'n v. FCC* entered

10/7/03 and 10/8/03.
Consolidated opening brief of appellant Federal Trade Commission,
respondent Federal Communications Commission, and respondent-
intervenor United States of America filed 10/17/03.
Consolidated response brief of appellees filed 10/31/03.
Consolidated reply brief of appellants, and respondent-intervenor filed
11/7/03.
Oral argument held 11/10/03.
Surreply by Mainstream Marketing filed 11/14/03.

NATIONAL FEDERATION OF THE BLIND v. FTC, No. JFM 03 CV 963 (D. Md.)

Parties: National Federation of the Blind
Special Olympics of Maryland, Inc.

Assigned Attorney: Michael D. Bergman

Nature of Action: Suit challenging amendments to the Telemarketing Sales Rule.

Status: Complaint filed 4/2/03.
Commission's answer filed 6/16/03.
Plaintiff's motion for summary judgment filed 9/29/03.
Commission's cross-motion for summary judgment and opposition to
plaintiff's motion for summary judgment filed 11/24/03.
Plaintiff's response/reply brief in support of motion for summary
judgment filed 12/15/03.

NEW YORK STATE BAR ASSOCIATION v. FTC, No. 02-810 (RBW) (D.D.C.)

Party: New York State Bar Association (plaintiff)

Assigned Attorneys: Michael D. Bergman (OGC)
Brian J. Sonfield (AUSA)

Nature of Action: Action for declaratory judgment challenging the Commission's refusal to grant an exception to lawyers from the privacy requirements of the Gramm-Leach-Bliley Act and implementing regulations.

Status: Complaint filed 4/29/02.
Commission's motion to dismiss filed 7/1/02.
Plaintiff's opposition to motion to dismiss filed 9/16/02.
Amici brief in support of plaintiff's opposition filed 9/30/02.
Commission's response to amici brief filed 10/2/02.
Commission's reply in support of motion to dismiss filed 11/18/02.
Plaintiff's surreply filed 11/27/02.
Commission's response to plaintiff's surreply filed 12/11/02.
Hearing on motion to dismiss held 6/2/03.
Memorandum opinion and order denying Commission's motion to dismiss filed 8/11/03.
Plaintiff's motion for summary judgment filed 9/26/03.
Commission's cross-motion for summary judgment filed 10/24/03.
Plaintiff's opposition/reply brief in support of motion for summary judgment filed 11/18/03.
Commission's reply brief in support of cross-motion for summary judgment filed 12/9/03.

NORTH CAROLINA BAR ASSOCIATION v. FTC, No. 5:02-CV-941-BO(3) (E.D.N.C.)

Party: North Carolina Bar Association (plaintiff)

Assigned Attorneys: Michael D. Bergman (OGC)
R.A. Renfer, Jr. (AUSA)

Nature of Action: Action for declaratory judgment challenging the Commission's refusal to grant an exception to lawyers from the privacy requirements of the Gramm-Leach-Bliley Act and implementing regulations.

Status: Complaint filed 12/27/02
Commission's motion to transfer case filed 1/24/03.
Plaintiff's response to motion to transfer filed 2/18/03.
Commission's reply in support of motion to transfer filed 3/17/03.
Order denying motion to transfer case entered 4/28/03.
Commission's motion to dismiss for lack of subject matter jurisdiction and/or failure to state a claim filed 6/10/03.
Plaintiff's response to motion to dismiss for lack of subject matter jurisdiction and/or failure to state a claim filed 7/14/03.
Commission's reply in support of its motion to dismiss filed 8/15/03.
Plaintiff's notice of dismissal without prejudice filed 10/14/03.
Case dismissed 10/14/03.

STONEBRIDGE LIFE INSURANCE CO. v. FTC, No. 03-739-RJL (D.D.C.)

Party: Stonebridge Life Insurance Co. (plaintiff)

Assigned Attorney: Lawrence DeMille-Wagman (OGC)

Nature of Action: Challenge to the amendments to the Telemarketing Sales Rule.

Status: Complaint and motion for TRO filed 3/21/03.
Commission's opposition to TRO filed 3/26/03.
Plaintiff's reply regarding TRO filed 3/27/03.
Hearing regarding plaintiff's motion for TRO held 3/28/03.
Order denying TRO entered 3/28/03.
Commission's motion to dismiss filed 5/7/03.
Plaintiff's opposition to motion to dismiss filed 5/30/03.
Commission's reply in support of motion to dismiss filed 6/6/03.
Joint stipulation of dismissal filed 10/30/03.
Order dismissing complaint entered 10/31/03.

U.S. SECURITY, CHARTERED BENEFIT SERVICES, INC. v. FTC, No. 03-6258 (10th Cir.); No. 03-122-W (W.D. Okla.)

Parties: U.S. Security, Chartered Benefit Services, Inc. (plaintiff)
Global Contact Services, Inc. (plaintiff)
Infocision Management Corp. (plaintiff)
Direct Marketing Association (plaintiff)

Assigned Attorney: Lawrence DeMille-Wagman (OGC)

Nature of Action: Challenge to the amendments to the Telemarketing Sales Rule.

Status: Complaint filed 1/29/03.
Plaintiffs' motion for a preliminary injunction filed 3/10/03.
Plaintiffs' first amended complaint filed 3/14/03.
Commission's response to motion for a preliminary injunction filed 3/20/03.
Plaintiffs' reply to motion for a preliminary injunction filed 3/24/03.
Hearing on motion for a preliminary injunction held 3/25/03.
Order denying motion for a preliminary injunction entered 3/26/03.
Commission's answer filed 3/28/03.
Plaintiff's motion for summary judgment filed 4/22/03.
Commission's opposition to plaintiff's motion for summary judgment and cross-motion for summary judgment filed 5/19/03.
Plaintiff's reply in support of their motion for summary judgment and opposition to Commission's cross-motion for summary judgment filed 6/3/03.
Commission's reply in support of their cross-motion for summary judgment filed 6/12/03.
Order holding that the Commission lacked authority to promulgate the do-not-call registry, but upholding Rule's prohibition of abandoned calls and restriction on use of pre-acquired account information entered 9/23/03.
Commission's notice of appeal filed 9/24/03.
Commission's emergency motion in district court for a stay filed 9/24/03; plaintiffs' opposition filed 9/25/03; order denying stay entered 9/25/03.
Commission's motion in district court for an indicative ruling re a motion to vacate filed 10/1/03; plaintiffs' opposition filed 10/3/03; district court order denying motion entered 10/8/03.
Circuit court order requiring parties to submit briefs regarding the mootness of this appeal and its consolidation with the *Mainstream Marketing* appeal and FCC petition for review entered 10/1/03; Commission and plaintiffs' responses filed 10/3/03.
Orders from the Court of Appeals, consolidating this case with *Mainstream Marketing v. FTC* and with two FCC cases

(Mainstream Marketing v. FCC, Competitive Telecommunications Ass'n v. FCC entered 10/7/03 and 10/8/03.

Consolidated opening brief of appellant Federal Trade Commission, respondent Federal Communications Commission, and respondent-intervenor United States of America filed 10/17/03.

Consolidated response brief of appellees filed 10/31/03.

Consolidated reply brief of appellants, and respondent-intervenor filed 11/7/03.

Oral argument held 11/10/03.

Surreply by Mainstream Marketing filed 11/14/03.

AMICUS CURIAE BRIEFS or PARTIAL INTERVENTIONS

BRENTWOOD ACADEMY v. TENNESSEE SECONDARY SCHOOL ATHLETIC ASSOCIATION, Nos. 03-5245, 03-5278 (6th Cir.)

Assigned Attorney: Michele Arington (OGC)

Nature of Action: Private action against a state interscholastic athletic association alleging constitutional and antitrust violations.

Status: Brief of Commission as amicus curiae urging reversal of district court ruling that the association is exempt from the federal antitrust laws under the state action doctrine filed 11/13/03.

CARTER v. ICR SERVICES, INC., No. CV-00-C-2666-W (N.D. Ala.)

Assigned Attorneys: Todd M. Kossow (MWR)
Nicholas J. Franczyk

Nature of Action: Class action suit alleging violations of the Credit Repair Organizations Act.

Status: Brief of the Commission as amicus curiae objecting to the \$1.2 million in attorney fees class counsel is expected to seek filed 8/14/02.
Final judgment awarding class counsel \$1.2 million in attorney's fees entered 9/6/02.
Plaintiff's motion for an injunction filed 7/2/03.
Federal Trade Commission's memorandum as amicus curiae in opposition to plaintiff's motion for an injunction filed 7/29/03.
Order denying plaintiff's motion for an injunction entered 8/7/03.
Defendants' motion seeking to amend the sequestration order to include asset in which the Commission holds a first priority lien filed 12/19/03; Commission's brief in opposition filed 12/31/03.

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EMPAGRAN S.A., ET AL. v. F. HOFFMANN-LAROCHE, LTD., ET AL., No. 01-7115 (D.C. Cir.)

Assigned Attorney: John F. Daly (OGC)

Nature of Action: Private antitrust action, raising issues regarding the reach of the Sherman Act to foreign transactions that do not themselves have an effect on the U.S. commerce.

Status: Brief for the United States and the Federal Trade Commission as amici curiae in support of petition for rehearing en banc filed 3/24/03.
Petition for rehearing en banc denied 9/11/03.
Petition for certiorari filed 11/13/03.
Certiorari granted 12/15/03.

PRUITT v. KAUFMAN & BROAD HOME CORP., et al., No. 5:03-CV-021 (S.D. Tex.)

Assigned Attorneys: Robert L. Sussman (OGC)
Leslie Rice Melman

Nature of Action: Private suit regarding whether the plaintiff, a private purchaser of a residence from defendant, has standing as a third party beneficiary to enforce a consent decree between the Commission and the defendant.

Status: Memorandum of law of amicus Federal Trade Commission filed 8/19/03.
Case dismissed 9/19/03.

SMITHKLINE BEECHAM CORPORATION & BEECHAM GROUP, P.L.C. v. APOTEX CORPORATION, APOTEX, INC. & TORPHARM INC., Nos. 99-CV-4304, 00-CV-4888, 01-CV-159, 01-CV-2169 (E.D. Penn.)

Assigned Attorneys: Jeffrey W. Brennan (BC)
Lore A. Unt
Elizabeth R. Hilder
Seth C. Silber
David Dudley

Nature of Action: Patent infringement action for infringement of four patents for the drug "Paxil."

Status: Memorandum of law of Federal Trade Commission as amicus curiae concerning the motion of Apotex Corporation, Apotex Inc. and Torpharm Inc. for entry of an amended order filed 1/29/03.

ON REVIEW OF UPL ADVISORY OPINION NO. 2003-2, No. S03U1451 (S. Ct. Ga.)

Assigned Attorneys: Maureen K. Ohlhausen (OPP)
Robert B. Nicholson (DOJ/ATA)

Nature of Action: Review of a ruling by the Georgia Bar Standing Committee on the
Unlicensed Practice of Law, which had determined that real estate
closings must be conducted by licensed attorneys.

Status: Brief amici curiae of the United States of America and the Federal Trade
Commission, in support of rejecting the Georgia Bar ruling, filed
7/28/03.
Oral argument held 9/22/03.
Decision approving the Georgia Bar's ruling entered 11/10/03.

VERIZON COMMUNICATIONS, INC. v. LAW OFFICES OF CURTIS V. TRINKO,
No. 02-682 (S. Ct.)

Assigned Attorney: John F. Daly (OGC)
Susan Creighton (BC)

Nature of Action: Private action against telephone local exchange carrier, alleging that the
carrier violated Section 2 of the Sherman Antitrust Act by denying access
to an "essential facility," and engaging in "monopoly leveraging."

Status: Petition for certiorari filed 11/1/02.
Brief for the United States and the Federal Trade Commission as amici
curiae, urging grant of certiorari, filed 12/13/02.
Petition for certiorari granted 3/10/03.
Brief for the United States and the Federal Trade Commission as amici
curiae supporting petitioner filed 5/23/03.
Argued 10/14/03.